The Gabelli Equity Trust Inc.
Annual Report — December 31, 2021

To Our Stockholders,

For the year ended December 31, 2021, the net asset value (NAV) total return of The Gabelli Equity Trust Inc. (the Fund) was 22.3%, compared with total returns of 28.7% and 20.8% 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 28.8%. The Fund's NAV per share was $6.41, while the price of the publicly traded shares closed at $7.19 on the New York Stock Exchange (NYSE). See page 3 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2021.

Investment Objective and Strategy (Unaudited)

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 selected by the Investment Adviser. Income is a secondary investment objective. Under normal market conditions, the Fund will invest at least 80% of the value of its total assets in equity securities.

Performance Discussion (Unaudited)

Top contributors during the first quarter of 2021 included global machinery company Deere & Company (2.55% of net assets as of December 31, 2021), which rose as expectations for a global economic recovery combined with optimism that the new Biden Administration would put forth an agenda that included a long term, fully funded infrastructure bill to help rebuild America's physical assets. The first quarter was extraordinary for traditional media stocks including ViacomCBS Inc. (0.71%) and Discovery Inc. (0.36%), as the rotation to value stocks and re-opening beneficiaries and the launch of direct-to-consumer services Paramount+ and Discovery Inc.+ led the stocks to nearly triple by early March. As the market continued to turn toward "economic reopening" plays, shares of many stable cash generators including food and beverage producers declined during the quarter.

Stocks posted their second best first half in 23 years with the S&P 500 Index up 9% for the second quarter. Value and smaller capitalization stocks continued to lead Growth and larger capitalization stocks to date, but lost ground to them in the second quarter. Financial engineering and Mergers & Acquisitions (M&A) added significantly to returns during the quarter with Grupo Televisa (0.41%) announcing the sale of its Mexican content operations to Univision and Macquarie Infrastructure Holdings LLC (0.01%) agreeing to sell its remaining private aviation and utilities operations.

In the third quarter of 2021, the stock market posted mixed results, with the S&P 500 Index gaining just 0.6% while the Russell 3000 Value Index declined 0.9%. July and August saw positive results, led again by the "Big Five" companies that comprise roughly 25% of the S&P, but September saw a sharp reversal, with the market down 4.7% for the month. The surging Omicron COVID-19 variant in the U.S. and around the world led to the tempering of economic growth forecasts, just when companies were facing increasingly difficult year over year comparisons for financial results as they contended with worsening inflation and supply chain issues.

The consumer proved resilient throughout the pandemic and healthy balance sheets and full employment supported strong spending in the fourth quarter. Among the beneficiaries were Costco Wholesale Corp. (1.07%), Diageo plc (1.36%), Remy Cointreau SA (0.53%), and PepsiCo Inc. (1.24%) Capital spending also increased, with economic activity helping diversified industrials Ametek Inc. (2.70%), IDEX Corp. (1.71%), and Johnson Controls International plc. (0.94%) The healthcare sector was a strong performer for the quarter and the year as hospitals and pharmacies saw the benefit of a partial return of routine medical procedures alongside increased COVID activity. Meanwhile, insurer UnitedHealth Group Inc. was able to manage COVID costs well, take advantage of strong pricing, and continue to allocate capital intelligently, making it a significant contributor to fourth quarter returns.

The top contributors to the Fund's performance in 2021 included: Steel Partners Holdings LP (1.16%) which, through its subsidiaries, engages in numerous businesses worldwide, including, but not limited to, industrial products, energy, defense, and supply chain management; American Express Co. (2.54%), the credit card company with a focus on high end customers; Deere & Co. (2.55%), the global machinery and farm equipment company.

Some of the weaker performing stocks during the year were: Rollins Inc. (2.45%) which, through its subsidiaries provides pest control to residential and commercial customers; Madison Square Garden Entertainment Corp. (0.54%) which produces, presents, or hosts live entertainment in its venues, including Madison Square Garden; and Vroom Inc., the operator of an e-commerce platform for buying and selling new and used cars and trucks in the U.S.

Thank you for your investment in The Gabelli Equity Trust.

We appreciate your confidence and trust.

Comparative Results

Average Annual Returns through December 31, 2021 (a) (Unaudited)

	1 Year	5 year	10 year	15 year	20 year	25 year	Since Inception (8/21/86)
Gabelli Equity Trust (GAB)							
NAV Total Return (b)	22.31%	13.98%	13.69%	9.25%	10.13%	10.42%	11.10%
Investment Total Return (c)	28.83	17.78	15.55	10.11	9.64	10.97	11.22
S&P 500 Index	28.71	18.47	16.55	10.66	9.52	9.76	11.10(d)
Dow Jones Industrial Average	20.80	15.50	14.17	10.09	9.26	9.63	11.51(d)

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that do not employ leverage. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. The S&P 500 Index is an unmanaged indicator of stock market performance. The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. Dividends are considered reinvested. You cannot invest directly in an index.

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

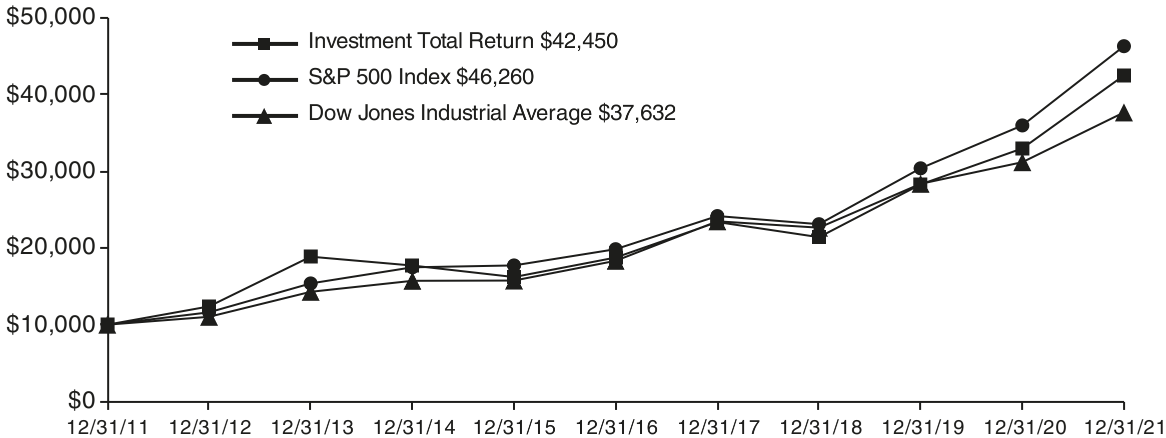
(c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings, spin-offs, and taxes paid on undistributed long term capital gains. Since inception return is based on an initial offering price of $10.00.

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

Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.

COMPARISON OF CHANGE IN VALUE OF A $10,000 INVESTMENT IN THE GABELLI EQUITY TRUST (INVESTMENT TOTAL RETURN), S&P 500 INDEX & DOW JONES INDUSTRIAL AVERAGE INDEX (Unaudited)

Average Annual Total Returns*			
	1 Year	5 Year	10 Year
Investment	28.83%	17.78%	15.55%



* Past performance is not predictive of future results. The performance tables and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the sale of Fund shares.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2021:

The Gabelli Equity Trust Inc.

Financial Services	11.1%
Food and Beverage	9.7%
Equipment and Supplies	6.7%
Diversified Industrial	5.2%
Health Care	5.1%
U.S. Government Obligations	5.1%
Consumer Products	4.9%
Entertainment	4.3%
Business Services	3.6%
Automotive: Parts and Accessories	3.5%
Machinery	3.4%
Consumer Services	2.9%
Short Term Investment	2.8%
Energy and Utilities	2.8%
Retail	2.6%
Cable and Satellite	2.4%
Electronics	2.4%
Environmental Services	2.2%
Specialty Chemicals	2.2%
Computer Software and Services	2.1%
Broadcasting	1.9%
Building and Construction	1.9%
Hotels and Gaming	1.6%
Aerospace and Defense	1.5%
Telecommunications	1.4%
Real Estate	1.0%
Aviation: Parts and Services	0.9%
Automotive	0.8%
Metals and Mining	0.8%
Transportation	0.6%
Communications Equipment	0.6%
Agriculture	0.6%
Wireless Communications	0.4%
Manufactured Housing and Recreational Vehicles	0.3%
Closed-End Funds	0.3%
Publishing	0.3%
Semiconductors	0.1%
Computer Hardware	0.0%*
	100.0%

* Amount represents less than 0.05%.

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

Proxy Voting

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

The Gabelli Equity Trust Inc.
Schedule of Investments — December 31, 2021

Shares		Cost	Market Value
	COMMON STOCKS — 91.8%		
	Financial Services — 11.1%		
75,000	Aegon NV	$ 282,491	$ 375,107
5,650	Ally Financial Inc.	178,740	268,996
291,000	American Express Co.(a)	29,402,919	47,607,600
28,000	Apollo Global Management Inc.	806,854	2,028,040
16,000	Argo Group International Holdings Ltd.	371,865	929,760
5,600	Axis Capital Holdings Ltd.	281,481	305,032
26,000	Banco Bilbao Vizcaya Argentaria SA	142,114	155,405
75,740	Banco Santander SA, ADR	548,398	249,185
50,500	Bank of America Corp.	1,541,820	2,246,745
101,000	Barclays plc	198,180	255,645
107	Berkshire Hathaway Inc., Cl. A†	1,423,246	48,220,834
210	BlackRock Inc.	148,976	192,268
37,700	Blackstone Inc.	2,167,536	4,878,003
8,000	Blue Owl Capital Inc.	113,900	119,280
40,000	Brewin Dolphin Holdings plc	161,775	200,325
10,000	Cannae Holdings Inc.†	351,723	351,500
1,950	Capital One Financial Corp.	178,175	282,926
115,000	Cipher Mining Inc.†	606,553	532,450
7,200	CIT Group Inc.	254,001	369,648
122,150	Citigroup Inc.	7,439,332	7,376,639
46,074	Commerzbank AG†	300,183	350,873
10,000	Compass Diversified Holdings	296,144	305,800
20,345	Credit Agricole SA	257,381	290,693
13,000	Credit Suisse Group AG, ADR	165,458	125,320
5,000	Cullen/Frost Bankers Inc.	361,440	630,350
134,200	Dah Sing Banking Group Ltd.	137,462	114,622
102,300	Dah Sing Financial Holdings Ltd.	295,607	309,620
46,800	Daiwa Securities Group Inc.	210,816	263,924
30,000	Deutsche Bank AG†	221,322	375,000
900	Deutsche Boerse AG	153,713	150,726
5,000	dMY Technology Group Inc. VI†	50,000	52,300
428	E-L Financial Corp. Ltd.	331,900	308,367
2,000	EXOR NV	145,670	179,792
36,320	Franklin Resources Inc.	1,089,172	1,216,357
50,000	GAM Holding AG†	107,554	74,627
10,000	H&R Block Inc.	219,623	235,600
10,000	Hannon Armstrong Sustainable Infrastructure Capital Inc., REIT	169,710	531,200
5,000	Icahn Enterprises LP	$ 241,150	$ 247,950
24,000	ING Groep NV	237,247	334,500
43,000	Interactive Brokers Group Inc., Cl. A	1,127,928	3,415,060
108,100	Janus Henderson Group plc	3,349,725	4,533,714
12,500	Japan Post Bank Co. Ltd.	100,007	114,644
100,200	Jefferies Financial Group Inc.	1,688,158	3,887,760
36,400	JPMorgan Chase & Co.	2,451,504	5,763,940
5,000	Julius Baer Group Ltd.†	237,290	335,711
29,800	Kinnevik AB, Cl. A†	494,015	1,136,438
14,000	Loews Corp.	558,454	808,640
69,500	Marsh & McLennan Companies Inc.	3,566,576	12,080,490
9,000	Moody's Corp.	312,150	3,515,220
37,648	Morgan Stanley	1,656,063	3,695,528
240	MSCI Inc.	99,453	147,046
90,500	NatWest Group plc	196,649	276,474
110,000	New York Community Bancorp Inc.	951,540	1,343,100
6,900	NN Group NV	292,477	374,007
26,910	PayPal Holdings Inc.†	4,913,484	5,074,688
5,500	Plus500 Ltd.	101,663	101,283
22,000	Polar Capital Holdings plc	188,543	236,140
75,000	Post Holdings Partnering Corp.†	750,000	795,000
433,231	Post Holdings Partnering Corp., Cl. A†	4,092,036	4,245,664
9,500	Prosus NV	868,993	795,282
64,500	S&P Global Inc.	12,487,252	30,439,485
4,000	Sculptor Capital Management Inc.	60,259	85,400
9,250	Shinhan Financial Group Co. Ltd., ADR	284,344	285,917
9,700	Shinsei Bank Ltd.	120,028	157,942
9,500	Societe Generale SA	201,301	326,690
58,500	Standard Chartered plc	365,955	355,055
115,800	State Street Corp.	6,067,238	10,769,400
86,500	T. Rowe Price Group Inc.	7,464,311	17,009,360
152,800	The Bank of New York Mellon Corp.	5,130,754	8,874,624
52,000	The Charles Schwab Corp.	2,120,619	4,373,200
14,600	The Goldman Sachs Group Inc.	3,166,918	5,585,230
2,000	The PNC Financial Services Group Inc.	267,936	401,040
17,000	Truist Financial Corp.	280,578	995,350
6,300	TrustCo Bank Corp. NY	206,980	209,853
5,000	W. R. Berkley Corp.	129,431	411,950
5,900	Webster Financial Corp.	239,702	329,456
178,000	Wells Fargo & Co.	5,978,456	8,540,440

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Financial Services (Continued)		
18,378	Westwood Holdings Group Inc.	$ 266,158	$ 311,323
		124,426,559	265,180,553
	Food and Beverage — 9.7%		
3,000	Ajinomoto Co. Inc.	52,866	91,202
2,100	Anheuser-Busch InBev SA/NV	148,084	127,122
95,800	Brown-Forman Corp., Cl. A	1,332,829	6,494,282
49,300	Brown-Forman Corp., Cl. B	1,130,138	3,591,998
40,000	Campbell Soup Co.	1,367,509	1,738,400
65,000	Chr. Hansen Holding A/S	2,725,303	5,128,712
15,000	Coca-Cola Europacific Partners plc	275,290	838,950
205,000	Conagra Brands Inc.	5,505,061	7,000,750
28,000	Constellation Brands Inc., Cl. A	351,182	7,027,160
25,000	Crimson Wine Group Ltd.†	128,738	206,250
189,500	Danone SA	9,232,935	11,777,561
860,000	Davide Campari-Milano NV	3,030,514	12,586,459
3,700	Diageo plc	150,004	202,128
115,000	Diageo plc, ADR	12,856,122	25,316,100
48,083	Farmer Brothers Co.†	309,461	358,218
90,000	Flowers Foods Inc.	490,089	2,472,300
81,000	Fomento Economico Mexicano SAB de CV, ADR	3,426,136	6,294,510
15,000	General Mills Inc.	923,210	1,010,700
17,500	Glanbia plc	295,397	245,062
1,848,400	Grupo Bimbo SAB de CV, Cl. A	2,624,249	5,695,370
41,300	Heineken NV	1,962,995	4,648,402
10,000	Ingredion Inc.	488,476	966,400
105,000	ITO EN Ltd.	2,422,898	5,513,344
58,700	Kerry Group plc, Cl. A	675,385	7,510,016
1,800	Laurent-Perrier	171,534	212,103
9,700	LVMH Moet Hennessy Louis Vuitton SE	335,341	8,028,588
30,000	Maple Leaf Foods Inc.	565,951	693,940
33,000	Molson Coors Beverage Co., Cl. B	2,027,727	1,529,550
232,000	Mondelēz International Inc., Cl. A	10,141,306	15,383,920
14,000	Morinaga Milk Industry Co. Ltd.	299,202	664,522
41,000	Nestlé SA	1,791,828	5,734,241
15,000	Nomad Foods Ltd.†	384,949	380,850
133,000	PepsiCo Inc.	13,070,749	23,103,430
39,200	Pernod Ricard SA	3,228,300	9,439,076
35,000	Post Holdings Inc.†	3,325,056	3,945,550
41,000	Remy Cointreau SA	$ 2,572,710	$ 9,989,199
6,000	Sanderson Farms Inc.	1,173,409	1,146,480
70,000	The Coca-Cola Co.	2,582,913	4,144,700
57,500	The Hain Celestial Group Inc.†	1,630,141	2,450,075
24,000	The J.M. Smucker Co.	2,514,373	3,259,680
24,000	The Kraft Heinz Co.	704,738	861,600
40,000	Tootsie Roll Industries Inc.	839,979	1,449,200
14,000	TreeHouse Foods Inc.†	516,443	567,420
46,000	Tyson Foods Inc., Cl. A	761,169	4,009,360
334,000	Yakult Honsha Co. Ltd.	9,542,876	17,421,542
		110,085,565	231,256,422
	Equipment and Supplies — 6.7%		
343,000	AMETEK Inc.	18,034,327	50,434,720
14,000	Amphenol Corp., Cl. A	12,928	1,224,440
25,000	Ardagh Group SA	445,738	564,375
148,000	Ardagh Metal Packaging SA†	1,570,883	1,336,440
86,000	CIRCOR International Inc.†	3,429,427	2,337,480
4,000	Crown Holdings Inc.	393,140	442,480
1,360	Danaher Corp.	346,053	447,454
294,000	Donaldson Co. Inc.	9,085,910	17,422,440
22,000	DS Smith plc	120,583	114,288
193,500	Flowserve Corp.	8,307,588	5,921,100
37,000	Franklin Electric Co. Inc.	214,088	3,498,720
15,000	Hubbell Inc.	1,961,776	3,124,050
135,000	IDEX Corp.	17,787,202	31,903,200
55,000	Ilika plc†	101,754	135,118
8,288	Kimball Electronics Inc.†	173,883	180,347
102,000	Mueller Industries Inc.	2,693,940	6,054,720
186,900	Mueller Water Products Inc., Cl. A	1,923,449	2,691,360
8,000	Sealed Air Corp.	128,172	539,760
20,000	Tenaris SA, ADR	781,922	417,200
270,000	The L.S. Starrett Co., Cl. A†	864,760	2,524,500
80,000	The Timken Co.	3,018,718	5,543,200
59,600	The Weir Group plc	250,790	1,380,694
108,000	Watts Water Technologies Inc., Cl. A	5,275,239	20,970,360
		76,922,270	159,208,446
	Diversified Industrial — 5.2%		
400	Agilent Technologies Inc.	69,105	63,860
214,844	Ampco-Pittsburgh Corp.†	521,429	1,074,220
42,006	AZZ Inc.	1,637,081	2,322,512
35,000	Colfax Corp.†	905,667	1,608,950
159,100	Crane Co.	9,043,917	16,185,243
28,875	General Electric Co.	1,641,790	2,727,821
126,000	Greif Inc., Cl. A	2,683,348	7,606,620
12,000	Greif Inc., Cl. B	727,946	717,360
68,000	Griffon Corp.	1,272,202	1,936,640
147,500	Honeywell International Inc.	19,493,240	30,755,225

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Diversified Industrial (Continued)		
29,119	Ingersoll Rand Inc.	$ 256,089	$ 1,801,593
7,300	IntriCon Corp.†	138,691	118,041
88,925	ITT Inc.	2,390,297	9,087,246
35,000	Kennametal Inc.	891,874	1,256,850
50,000	Myers Industries Inc.	818,952	1,000,500
30,000	nVent Electric plc	327,658	1,140,000
100,000	Park-Ohio Holdings Corp.	1,371,930	2,117,000
5,800	Proto Labs Inc.†	374,500	297,830
3,000	Rheinmetall AG	277,330	283,691
500	Roper Technologies Inc.	137,938	245,930
1,850	Siemens AG	299,694	321,578
515,799	Steel Partners Holdings LP†	3,494,660	21,663,558
11,000	Sulzer AG	628,325	1,084,669
46,600	Textron Inc.	1,652,238	3,597,520
2,500	The Eastern Co.	61,878	62,900
100,000	Toray Industries Inc.	771,663	592,715
43,000	Trane Technologies plc	995,117	8,687,290
24,000	Tredegar Corp.	362,098	283,680
90,000	Trinity Industries Inc.	1,492,760	2,718,000
4,000	Valmont Industries Inc.	943,870	1,002,000
14,000	Vantage Towers AG	411,612	513,236
		56,094,899	122,874,278
	Health Care — 5.1%		
11,227	2seventy bio Inc.†	347,851	287,748
500	Abbott Laboratories	62,454	70,370
11,700	AbbVie Inc.	1,189,332	1,584,180
5,000	ACADIA Pharmaceuticals Inc.†	112,750	116,700
1,736	Acorda Therapeutics Inc.†	11,874	4,149
2,000	Aerie Pharmaceuticals Inc.†	54,487	14,040
16,200	Alcon Inc.	574,003	1,411,344
4,000	Alimera Sciences Inc.†	18,900	20,480
2,000	Alkermes plc†	48,540	46,520
7,000	AmerisourceBergen Corp.	544,735	930,230
25,000	Amgen Inc.	2,544,386	5,624,250
2,764	Anika Therapeutics Inc.†	95,074	99,034
10,901	Aptinyx Inc.†	44,030	29,106
2,000	AstraZeneca plc.	203,998	234,922
1,000	Avantor Inc.†	38,935	42,140
72,992	Axogen Inc.†	879,848	683,935
14,000	Baxter International Inc.	476,337	1,201,760
1,000	Becton, Dickinson and Co.	256,016	251,480
1,200	Berkeley Lights Inc.†	87,233	21,816
7,000	Biogen Inc.†	1,984,788	1,679,440
13,600	BioMarin Pharmaceutical Inc.†	1,054,315	1,201,560
38,500	Bluebird Bio Inc.†	787,777	384,615
135,000	Boston Scientific Corp.†	3,921,187	5,734,800
4,000	Bridgebio Pharma Inc.†	173,592	66,720
109,600	Bristol-Myers Squibb Co.	$ 6,425,949	$ 6,833,560
12,150	Calithera Biosciences Inc.†	35,888	8,082
11,000	Cardiovascular Systems Inc.†	216,420	206,580
3,300	Cigna Corp.	545,356	757,779
30,400	Clovis Oncology Inc.†	393,065	82,384
178,325	ConforMIS Inc.†	234,258	135,777
1,500	Cortexyme Inc.†	61,778	18,930
15,800	Covetrus Inc.†	152,841	315,526
1,500	Cutera Inc.†	43,741	61,980
6,000	CVS Group plc	176,433	181,917
8,000	CytomX Therapeutics Inc.†	74,350	34,640
800	Dechra Pharmaceuticals plc	56,943	57,661
242,000	Demant A/S†	2,208,367	12,414,816
10,000	Eargo Inc.†	56,600	51,000
2,080	Edwards Lifesciences Corp.†	198,770	269,464
2,500	eHealth Inc.†	132,429	63,750
62,000	ElectroCore Inc.†	106,790	36,115
21,103	Electromed Inc.†	215,122	274,339
17,200	Endo International plc†	127,781	64,672
800	Eurofins Scientific SE	112,548	99,095
3,000	Evolus Inc.†	42,843	19,530
5,840	Exact Sciences Corp.†	475,422	454,527
10,000	Fluidigm Corp.†	37,239	39,200
3,100	Fresenius SE & Co. KGaA	148,756	124,939
2,000	G1 Therapeutics Inc.†	28,640	20,420
5,000	Galapagos NV, ADR†	435,668	275,650
1,390	Gerresheimer AG.	150,196	134,039
7,500	Gilead Sciences Inc.	470,797	544,575
5,201	Glaukos Corp.†	225,578	231,132
8,000	GlaxoSmithKline plc	148,787	173,969
6,919	GoodRx Holdings Inc., Cl. A†	255,145	226,113
2,000	Gritstone bio Inc.†	19,130	25,720
2,500	Guardant Health Inc.†	261,975	250,050
3,000	Haemonetics Corp.†	180,090	159,120
1,550	HCA Healthcare Inc.	365,378	398,226
65,000	Henry Schein Inc.†	2,011,491	5,039,450
1,400	Hologic Inc.†	96,586	107,184
10,000	ICU Medical Inc.†	2,238,605	2,373,400
3,400	Idorsia Ltd.†	100,534	69,552
200	Illumina Inc.†	97,768	76,088
8,000	Incyte Corp.†	618,393	587,200
46,800	Indivior plc†	28,408	162,800
1,374	Inogen Inc.†	38,790	46,716
14,000	Intercept Pharmaceuticals Inc.†	334,091	228,060
555	Intuitive Surgical Inc.†	141,888	199,412
3,000	Invitae Corp.†	76,531	45,810
4,200	iRhythm Technologies Inc.†	191,769	494,298
31,200	Johnson & Johnson	3,216,734	5,337,384

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Health Care (Continued)		
7,000	Jounce Therapeutics Inc.†	$ 54,040	$ 58,450
500	Koninklijke DSM NV	82,614	112,712
400	Laboratory Corp. of America Holdings†	98,884	125,684
12,569	Lannett Co. Inc.†	62,158	20,362
1,833	Larimar Therapeutics Inc.†	59,305	19,778
2,000	LeMaitre Vascular Inc.	92,260	100,460
10,500	Mallinckrodt plc†	149,520	1,313
6,750	Marinus Pharmaceuticals Inc.†	123,443	80,190
12,000	Medmix AG†(b)	578,871	594,732
700	Medpace Holdings Inc.†	112,500	152,348
106,300	Merck & Co. Inc.	5,945,885	8,146,832
2,000	Meridian Bioscience Inc.†	50,499	40,800
200	Moderna Inc.†	30,664	50,796
2,000	NanoString Technologies Inc.†	157,075	84,460
6,000	Nektar Therapeutics†	255,282	81,060
2,000	NeoGenomics Inc.†	104,886	68,240
111,203	Neuronetics Inc.†	756,797	495,965
1,275	Novartis AG	120,657	112,332
80,000	Novartis AG, ADR	4,257,795	6,997,600
8,900	NuVasive Inc.†	447,627	467,072
4,000	Odonate Therapeutics Inc.†	58,733	5,400
92,475	Option Care Health Inc.†	931,574	2,629,989
25,000	OraSure Technologies Inc.†	242,826	217,250
10,160	Organogenesis Holdings Inc.†	97,093	93,878
10,150	Organon & Co.	320,630	309,068
5,000	Orthofix Medical Inc.†	207,373	155,450
100,000	Pacific Biosciences of California Inc.†	2,600,360	2,046,000
500	PerkinElmer Inc.	71,621	100,530
44,000	Perrigo Co. plc	1,864,360	1,711,600
2,200	Personalis Inc.†	65,834	31,394
1,500	Pfizer Inc.	66,390	88,575
8,500	Puma Biotechnology Inc.†	198,917	25,840
1,500	QIAGEN NV†	74,706	83,370
500	Quest Diagnostics Inc.	62,573	86,505
2,200	Quidel Corp.†	275,216	296,978
300	Repligen Corp.†	63,897	79,452
27,064	ReWalk Robotics Ltd.†	94,116	33,289
650	Roche Holding AG, Genusschein	225,197	270,429
26,121	Rockwell Medical Inc.†	78,547	10,710
3,000	Sangamo Therapeutics Inc.†	39,060	22,500
2,100	Sanofi	205,102	211,781
2,000	Sarepta Therapeutics Inc.†	167,525	180,100
12,500	Sema4 Holdings Corp.†	54,107	55,750
1,000	Siemens Healthineers AG(b)	$ 70,181	$ 74,936
2,596	Sio Gene Therapies Inc.†	46,529	3,349
164,001	SmileDirectClub Inc.†	1,191,635	385,402
10,115	Tactile Systems Technology Inc.†	304,931	192,488
3,000	Takeda Pharmaceutical Co. Ltd.	110,240	81,813
2,000	Teladoc Health Inc.†	179,199	183,640
11,000	Teva Pharmaceutical Industries Ltd., ADR†	174,605	88,110
15,700	Tristel plc	120,482	96,691
42,550	UnitedHealth Group Inc.	10,156,358	21,366,057
11,996	Valeritas Holdings Inc.†	56,778	240
2,000	Vericel Corp.†	78,040	78,600
800	Vertex Pharmaceuticals Inc.†	159,762	175,680
6,000	Viatris Inc.	92,340	81,180
4,000	Waters Corp.†	285,470	1,490,400
14,500	Zimmer Biomet Holdings Inc.	1,752,069	1,842,080
25,820	Zoetis Inc.	1,052,273	6,300,855
21,297	Zosano Pharma Corp.†	87,283	10,010
		77,049,797	120,562,525
	Consumer Products — 4.9%		
14,000	American Outdoor Brands Inc.†	340,881	279,020
13,100	Christian Dior SE	469,197	10,887,475
27,000	Church & Dwight Co. Inc.	468,406	2,767,500
252,000	Edgewell Personal Care Co.	14,268,348	11,518,920
171,000	Energizer Holdings Inc.	7,336,129	6,857,100
35,500	Essity AB, Cl. B	541,915	1,160,521
2,100	Givaudan SA	725,396	11,043,898
80,000	Hanesbrands Inc.	719,339	1,337,600
23,800	Harley-Davidson Inc.	1,105,662	897,022
1,270	Hermes International	444,999	2,220,895
1,000	Hunter Douglas NV†	120,495	196,050
800	Johnson Outdoors Inc., Cl. A	88,118	74,952
7,959	Kimball International Inc., Cl. B	104,750	81,421
25,000	Mattel Inc.†	348,023	539,000
10,000	National Presto Industries Inc.	501,782	820,300
12,100	Oil-Dri Corp. of America	238,244	396,033
49,900	Reckitt Benckiser Group plc	1,661,674	4,283,523
4,000	Spectrum Brands Holdings Inc.	279,918	406,880
27,600	Svenska Cellulosa AB SCA, Cl. B	73,685	490,992
7,279,000	Swedish Match AB	16,811,319	58,014,827

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Consumer Products (Continued)		
1,300	The Estee Lauder Companies Inc., Cl. A	$ 385,730	$ 481,260
5,000	The Honest Co. Inc.†	84,876	40,450
4,280	Unilever plc	250,170	228,570
5,600	Zalando SE†(b)	554,206	453,560
		47,923,262	115,477,769
	Entertainment — 4.3%		
29,050	Activision Blizzard Inc.	2,319,758	1,932,696
20,908	Charter Communications Inc., Cl. A†	6,333,109	13,631,389
34,000	Discovery Inc., Cl. A†	1,107,999	800,360
255,800	Discovery Inc., Cl. C†	5,529,230	5,857,820
2,000	Electronic Arts Inc.	254,220	263,800
90,000	Genting Singapore Ltd.	74,910	51,759
825,000	Grupo Televisa SAB, ADR	10,716,010	7,730,250
75,000	IMAX Corp.†	1,346,211	1,338,000
120,000	Liberty Media Acquisition Corp.†	1,200,000	1,273,200
71,500	Liberty Media Corp.- Liberty Braves, Cl. A†	1,906,331	2,055,625
85,708	Liberty Media Corp.- Liberty Braves, Cl. C†	1,593,851	2,408,395
19,545	Lions Gate Entertainment Corp., Cl. B†	389,645	300,797
142,394	Madison Square Garden Entertainment Corp.†	6,311,794	10,015,994
96,117	Madison Square Garden Sports Corp.†	8,312,642	16,698,406
970	Netflix Inc.†	543,391	584,367
15,000	Rovio Entertainment Oyj(b)	92,678	112,370
8,000	Take-Two Interactive Software Inc.†	809,673	1,421,760
40,000	TBS Holdings Inc.	796,181	580,370
89,160	The Walt Disney Co.†	8,174,073	13,809,992
6,700	Ubisoft Entertainment SA†	455,291	328,536
60,000	Universal Entertainment Corp.†	763,928	1,273,233
23,000	Universal Music Group NV	679,105	648,877
372,000	ViacomCBS Inc., Cl. A	14,424,930	12,413,640
30,000	ViacomCBS Inc., Cl. B	941,450	905,400
444,000	Vivendi SE	6,201,976	6,010,324
1,700	Xilam Animation SA†	98,540	80,515
		81,376,926	102,527,875
	Business Services — 3.6%		
11,000	Allegion plc	300,446	1,456,840
9,100	Applus Services SA	100,715	83,763
425,000	Clear Channel Outdoor Holdings Inc.†	946,148	1,406,750
200,000	Diebold Nixdorf Inc.†	1,463,309	1,810,000
3,000	Edenred	$ 38,786	$ 138,567
2,000	ICF International Inc.	162,657	205,100
8,000	IHS Markit Ltd.	710,142	1,063,360
16,000	Jardine Matheson Holdings Ltd.	534,478	880,160
11,000	Lamar Advertising Co., Cl. A, REIT	871,529	1,334,300
62,000	Macquarie Infrastructure Holdings LLC	1,680,233	226,300
160,430	Mastercard Inc., Cl. A	29,292,028	57,645,708
104,000	Network International Holdings plc†(b)	412,086	411,327
157,500	Resideo Technologies Inc.†	2,067,666	4,099,725
1,220,000	Steel Connect Inc.†	762,256	1,695,800
209,000	The Interpublic Group of Companies Inc.	4,430,210	7,827,050
10,000	United Parcel Service Inc., Cl. B	1,602,525	2,143,400
3,000	Viad Corp.†	117,584	128,370
12,800	Visa Inc., Cl. A.	140,800	2,773,888
7,000	Willdan Group Inc.†	289,846	246,400
2,000	Worldline SA†(b)	181,490	111,596
		46,104,934	85,688,404
	Automotive: Parts and Accessories — 3.5%		
7,120	Aptiv plc†	446,762	1,174,444
89,600	BorgWarner Inc.	3,933,260	4,038,272
333,400	Dana Inc.	4,347,756	7,608,188
26,000	Garrett Motion Inc.†	267,409	208,780
216,700	Genuine Parts Co.	16,113,374	30,381,340
300,000	Modine Manufacturing Co.†	3,791,912	3,027,000
43,500	O'Reilly Automotive Inc.†	15,803,784	30,721,005
105,000	Standard Motor Products Inc.	1,181,521	5,500,950
23,000	Strattec Security Corp.†	1,077,160	851,460
110,000	Superior Industries International Inc.†	392,203	492,800
15,000	Tenneco Inc., Cl. A†	167,665	169,500
		47,522,806	84,173,739
	Machinery — 3.4%		
25,000	Astec Industries Inc.	856,158	1,731,750
12,800	Caterpillar Inc.	86,323	2,646,272
328,610	CNH Industrial NV	3,900,624	6,384,892
139,000	Deere & Co.(a)	10,791,949	47,661,710
6,688	Regal Rexnord Corp.	315,782	1,138,164
184,000	Xylem Inc.	12,578,614	22,065,280
		28,529,450	81,628,068
	Consumer Services — 2.9%		
535	Amazon.com Inc.†	1,759,037	1,783,872
373,500	Bollore SA	2,173,880	2,092,130
2,000	Deutsche Post AG	101,199	128,742

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Consumer Services (Continued)		
11,000	eBay Inc.	$ 266,292	$ 731,500
7,000	HomeServe plc	103,233	82,858
46,500	IAC/InterActiveCorp.†	1,872,050	6,078,015
107,000	Liberty TripAdvisor Holdings Inc., Cl. A†	481,056	232,190
50,000	Matthews International Corp., Cl. A	1,374,676	1,833,500
355,000	Qurate Retail Inc., Cl. A	3,373,224	2,698,000
1,340,000	Rollins Inc.	24,072,835	45,841,400
88,500	Terminix Global Holdings Inc.†	3,179,367	4,002,855
4,000	Travel + Leisure Co.	130,024	221,080
263,007	Vroom Inc.†	5,617,659	2,837,845
		44,504,532	68,563,987
	Energy and Utilities — 2.8%		
33,000	APA Corp.	1,244,240	887,370
5,000	Atlantica Sustainable Infrastructure plc	172,286	178,800
58,000	Avangrid Inc.	2,452,440	2,893,040
20,000	BP plc, ADR	809,306	532,600
16,000	CMS Energy Corp.	95,699	1,040,800
168,250	ConocoPhillips	7,893,882	12,144,285
9,700	Electricite de France SA.	149,991	114,079
98,400	Enbridge Inc.	2,488,608	3,845,472
51,000	Energy Transfer LP	651,114	419,730
73,700	Enterprise Products Partners LP	1,389,180	1,618,452
1,500	Eos Energy Enterprises Inc.†	36,629	11,280
48,000	Evergy Inc.	2,754,877	3,293,280
40,000	Eversource Energy	2,202,641	3,639,200
45,500	Exxon Mobil Corp.	2,067,003	2,784,145
254,000	Halliburton Co.	5,554,310	5,808,980
65,000	Kinder Morgan Inc.	774,600	1,030,900
4,000	Marathon Oil Corp.	111,366	65,680
8,000	Marathon Petroleum Corp.	402,325	511,920
45,000	National Fuel Gas Co.	2,454,798	2,877,300
43,000	NextEra Energy Inc.	697,195	4,014,480
58,000	NextEra Energy Partners LP	2,821,875	4,895,200
4,000	Niko Resources Ltd., Toronto†	55,327	12
9,000	Occidental Petroleum Corp.	135,408	260,910
145,000	Oceaneering International Inc.†	1,936,559	1,639,950
95,000	PG&E Corp.†	881,071	1,153,300
21,000	Phillips 66	1,833,947	1,521,660
24,000	Portland General Electric Co.	1,183,071	1,270,080
70,000	RPC Inc.†	491,876	317,800
47,000	Schlumberger NV	$ 1,751,822	$ 1,407,650
30,770	Southwest Gas Holdings Inc.	1,288,738	2,155,438
100,000	The AES Corp.	1,136,430	2,430,000
2,280	TotalEnergies SE	99,926	115,850
34,000	UGI Corp.	1,299,380	1,560,940
		49,317,920	66,440,583
	Retail — 2.6%		
5,500	ASOS plc†	194,288	177,998
60,000	AutoNation Inc.†	2,690,025	7,011,000
5,000	BARK Inc.†	38,048	21,100
5,000	Casey's General Stores Inc.	531,212	986,750
100,000	Conn's Inc.†	2,297,560	2,352,000
35,200	Costco Wholesale Corp.	5,087,708	19,983,040
93,000	CVS Health Corp.	7,453,044	9,593,880
17,000	Lowe's Companies Inc.	2,280,444	4,394,160
125,000	Macy's Inc.	2,153,689	3,272,500
1,570	NIKE Inc., Cl. B	213,534	261,672
64,228	PetIQ Inc.†	1,663,803	1,458,618
10,000	Pets at Home Group plc	71,377	62,940
35,000	Sally Beauty Holdings Inc.†	312,896	646,100
16,400	Shake Shack Inc., Cl. A†	927,289	1,183,424
125,000	The Wendy's Co.	2,688,689	2,981,250
56,000	Walgreens Boots Alliance Inc.	2,158,116	2,920,960
30,000	Walmart Inc.	1,519,821	4,340,700
		32,281,543	61,648,092
	Cable and Satellite — 2.4%		
107,500	Altice USA Inc., Cl. A†	2,351,601	1,739,350
64,000	AMC Networks Inc., Cl. A†	3,244,835	2,204,160
200	Cable One Inc.	77,334	352,690
223,980	Comcast Corp., Cl. A	8,440,070	11,272,913
68,642	DISH Network Corp., Cl. A†	1,916,124	2,226,746
82,933	EchoStar Corp., Cl. A†	1,895,676	2,185,285
145,605	Liberty Global plc, Cl. A†	2,504,125	4,039,083
349,064	Liberty Global plc, Cl. C†	9,441,974	9,805,208
57,987	Liberty Latin America Ltd., Cl. A†	856,886	676,128
71,664	Liberty Latin America Ltd., Cl. C†	1,253,203	816,970
377,500	Rogers Communications Inc., Cl. B	10,117,452	17,980,325
158,000	Shaw Communications Inc., Cl. B	403,311	4,793,720
		42,502,591	58,092,578
	Electronics — 2.4%		
6,400	ams AG†	149,689	116,558
41,591	Bel Fuse Inc., Cl. A	543,364	600,990
15,000	Bel Fuse Inc., Cl. B	187,963	193,950
75,000	Flex Ltd.†	1,333,502	1,374,750

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Electronics (Continued)		
4,000	Hitachi Ltd., ADR	$ 287,076	$ 433,480
57,500	Intel Corp.	1,689,321	2,961,250
33,000	Koninklijke Philips NV	177,838	1,216,050
1,400	Mettler-Toledo International Inc.†	210,146	2,376,094
190,000	Mirion Technologies Inc.†	1,945,818	1,989,300
25,000	Plug Power Inc.†	665,701	705,750
16,000	Sony Group Corp., ADR	1,159,369	2,022,400
40,000	TE Connectivity Ltd.	1,721,146	6,453,600
187,000	Texas Instruments Inc.	14,139,811	35,243,890
900	Thermo Fisher Scientific Inc.	491,430	600,516
500	Universal Display Corp.	90,590	82,515
6,000	Vishay Precision Group Inc.†	200,409	222,720
		24,993,173	56,593,813
	Environmental Services — 2.2%		
12,000	Biffa plc(b)	37,359	58,230
30,000	Pentair plc	699,891	2,190,900
222,000	Republic Services Inc.	17,134,423	30,957,900
15,620	Veolia Environnement SA	434,070	573,691
110,600	Waste Management Inc.	10,347,359	18,459,140
30,000	Zurn Water Solutions Corp.	315,045	1,092,000
		28,968,147	53,331,861
	Specialty Chemicals — 2.2%		
11,000	AdvanSix Inc.	134,544	519,750
1,600	Covestro AG(b)	102,462	98,731
137,000	DuPont de Nemours Inc.	7,446,099	11,066,860
423,500	Ferro Corp.†	8,779,518	9,245,005
29,000	FMC Corp.	2,265,519	3,186,810
140,000	GCP Applied Technologies Inc.†	4,014,068	4,432,400
15,000	H.B. Fuller Co.	626,362	1,215,000
60,000	International Flavors & Fragrances Inc.	5,283,063	9,039,000
2,800	Johnson Matthey plc	100,870	77,542
450	Linde plc	119,948	155,893
122,900	Sensient Technologies Corp.	6,244,172	12,297,374
13,000	SGL Carbon SE†	60,439	113,816
2,000	The Chemours Co.	22,594	67,120
780	The Sherwin-Williams Co.	194,877	274,685
		35,394,535	51,789,986
	Computer Software and Services — 2.1%		
550	Adobe Inc.†	261,773	311,883
1,000	Alibaba Group Holding Ltd., ADR†	148,497	118,790
150	Alphabet Inc., Cl. A†	419,253	434,556
6,348	Alphabet Inc., Cl. C†	$ 11,933,476	$ 18,368,509
2,200	Atos SE	200,051	93,651
14,000	Avast plc(b)	101,549	115,063
8,700	Check Point Software Technologies Ltd.†	695,603	1,014,072
1,750	Cloudflare Inc., Cl. A†	131,738	230,125
870	CrowdStrike Holdings Inc., Cl. A†	186,087	178,133
5,000	Digital Turbine Inc.†	321,321	304,950
1,100	Fidelity National Information Services Inc.	163,043	120,065
17,020	Fiserv Inc.†	1,158,926	1,766,506
70,000	GTY Technology Holdings Inc.†	398,411	469,000
90,000	Hewlett Packard Enterprise Co.	1,282,160	1,419,300
42,000	I3 Verticals Inc., Cl. A†	914,172	957,180
15,000	Kyndryl Holdings Inc.†	303,624	271,500
11,000	Mandiant Inc.†	149,645	192,940
24,610	Meta Platforms Inc., Cl. A†	7,539,146	8,277,574
4,000	Micron Technology Inc.	296,575	372,600
4,270	Microsoft Corp.	916,103	1,436,086
2,000	MKS Instruments Inc.	297,450	348,340
29,500	N-able Inc.†	378,771	327,450
4,000	NCR Corp.†	174,909	160,800
5,000	NortonLifeLock Inc.	99,596	129,900
1,290	NVIDIA Corp.	172,594	379,402
140,000	Oxford Metrics plc	173,766	216,974
4,700	PSI Software AG	156,151	247,749
200	Qualtrics International Inc., Cl. A†	7,137	7,080
18,100	Rockwell Automation Inc.	654,910	6,314,185
700	salesforce.com Inc.†	154,875	177,891
1,800	SAP SE, ADR	231,651	252,198
455	ServiceNow Inc.†	242,906	295,345
615	Snowflake Inc., Cl. A†	184,139	208,331
23,500	SolarWinds Corp.	454,195	333,465
4,900	Tailwind Acquisition Corp., Cl. A†	49,147	48,216
1,300	Temenos AG	174,579	179,834
2,300	Trimble Inc.†	204,828	200,537
2,000	Unity Software Inc.†	234,346	285,980
400	Veeva Systems Inc., Cl. A†	107,315	102,192
67,200	Vimeo Inc.†	814,691	1,206,912
6,046	VMware Inc., Cl. A	696,747	700,610
4,700	ZoomInfo Technologies Inc.†	274,254	301,740
		33,460,110	48,877,614
	Broadcasting — 1.9%		
2,000	Cogeco Inc.	39,014	128,432

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Broadcasting (Continued)		
24,000	Corus Entertainment Inc., OTC, Cl. B	$ 42,622	$ 89,952
133,400	Fox Corp., Cl. A	5,542,770	4,922,460
61,000	Fox Corp., Cl. B	2,472,374	2,090,470
16,000	Gray Television Inc.	14,422	322,560
19,250	Liberty Broadband Corp., Cl. A†	608,060	3,097,325
79,172	Liberty Broadband Corp., Cl. C†	4,673,426	12,754,609
35,333	Liberty Media Corp.- Liberty Formula One, Cl. A†	1,032,802	2,096,660
42,750	Liberty Media Corp.- Liberty Formula One, Cl. C†	1,105,756	2,703,510
55,000	Liberty Media Corp.- Liberty SiriusXM, Cl. A†	1,482,902	2,796,750
183,449	Liberty Media Corp.- Liberty SiriusXM, Cl. C†	4,979,604	9,328,382
19,000	Nexstar Media Group Inc., Cl. A	1,285,048	2,868,620
80,000	Sinclair Broadcast Group Inc., Cl. A	2,481,544	2,114,400
50,000	TEGNA Inc.	817,601	928,000
80,000	Television Broadcasts Ltd.†	319,851	48,323
		26,897,796	46,290,453
	Building and Construction — 1.9%		
27,000	Arcosa Inc.	476,033	1,422,900
18,000	Assa Abloy AB, Cl. B	310,378	550,187
19,500	Canfor Corp.†	405,759	494,225
4,000	Cie de Saint-Gobain	188,832	281,756
65,000	Fortune Brands Home & Security Inc.	2,177,847	6,948,500
22,000	Gencor Industries Inc.†	256,740	253,660
61,448	Herc Holdings Inc.	1,955,937	9,619,684
35,200	Ibstock plc(b)	100,002	97,101
215,814	Johnson Controls International plc	9,457,010	17,547,836
17,200	KBR Inc.	557,869	819,064
20,000	PGT Innovations Inc.†	286,174	449,800
12,000	Sika AG	1,556,815	5,007,024
3,000	Vulcan Materials Co.	484,932	622,740
		18,214,328	44,114,477
	Hotels and Gaming — 1.6%		
89,500	888 Holdings plc	364,574	364,640
16,000	Accor SA†	549,282	518,245
35,500	Bally's Corp.†	1,453,957	1,351,130
11,000	Better Collective A/S†	207,403	239,813
69,500	Entain plc†	1,394,539	1,583,227
500	Flutter Entertainment plc†	73,308	79,589
2,000	Frontier Developments plc†	90,373	48,186
15,000	Gambling.com Group Ltd.†	$ 135,063	$ 152,250
47,700	GAN Ltd.†	930,299	438,363
165,000	Genius Sports Ltd.†	1,627,312	1,254,000
7,000	Hyatt Hotels Corp., Cl. A†	230,351	671,300
17,000	Las Vegas Sands Corp.†	558,902	639,880
104,000	LeoVegas AB(b)	498,318	403,285
4,238,500	Mandarin Oriental International Ltd.†	7,435,215	9,494,240
11,000	Marriott International Inc., Cl. A†	901,758	1,817,640
70,000	MGM China Holdings Ltd.†	137,917	42,462
54,400	MGM Growth Properties LLC, Cl. A, REIT	1,038,290	2,222,240
80,000	MGM Resorts International	2,183,090	3,590,400
6,000	Penn National Gaming Inc.†	171,720	311,100
25,000	PlayAGS Inc.†	169,647	169,750
114,800	Ryman Hospitality Properties Inc., REIT†	4,925,764	10,557,008
200,000	The Hongkong & Shanghai Hotels Ltd.†	155,450	175,696
44,000	The Marcus Corp.†	718,018	785,840
4,000	Wyndham Hotels & Resorts Inc.	152,872	358,600
6,000	Wynn Resorts Ltd.†	469,634	510,240
		26,573,056	37,779,124
	Aerospace and Defense — 1.5%		
158,300	Aerojet Rocketdyne Holdings Inc.	6,476,078	7,402,108
1,400	Airbus SE†	151,220	179,091
15,000	Avio SpA	205,934	199,807
22,000	BAE Systems plc	150,576	163,720
14,000	Howmet Aerospace Inc.	223,451	445,620
500	IQVIA Holdings Inc.†	109,178	141,070
47,700	Kaman Corp.	1,527,803	2,058,255
5,000	Kratos Defense & Security Solutions Inc.†	97,562	97,000
13,000	L3Harris Technologies Inc.	1,138,805	2,772,120
17,500	Northrop Grumman Corp.	2,151,104	6,773,725
3,915,666	Rolls-Royce Holdings plc†	8,000,876	6,512,701
2,500	Thales SA	233,021	212,899
42,500	The Boeing Co.†	8,681,453	8,556,100
		29,147,061	35,514,216
	Telecommunications — 1.4%		
55,000	AT&T Inc.	1,830,573	1,353,000
55,400	BCE Inc.	1,851,178	2,883,016
874,200	BT Group plc, Cl. A	3,543,931	2,006,240
7,040,836	Cable & Wireless Jamaica Ltd.†(c)	128,658	53,024
10,000	Comtech Telecommunications Corp.	241,996	236,900

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Telecommunications (Continued)		
29,180	Deutsche Telekom AG	$ 531,230	$ 541,509
125,000	Deutsche Telekom AG, ADR	2,029,152	2,313,750
36,000	Hellenic Telecommunications Organization SA	452,922	666,228
15,000	Hellenic Telecommunications Organization SA, ADR	91,062	137,025
264,732	Koninklijke KPN NV	448,166	822,815
1,100,000	NII Holdings Inc., Escrow†	374,000	330,000
16,000	Oi SA, ADR†	6,333	3,912
4,267	Oi SA, Cl. C, ADR†	118,940	2,646
7,000	SoftBank Group Corp.	387,473	330,679
21,000	Telecom Argentina SA, ADR	127,554	107,100
535,000	Telecom Italia SpA.	2,073,015	264,470
70,000	Telefonica Brasil SA, ADR	726,827	605,500
355,000	Telefonica SA, ADR	4,303,466	1,505,200
521,000	Telephone and Data Systems Inc.	21,782,636	10,498,150
105,000	Telesites SAB de CV	79,714	107,638
50,000	TELUS Corp.	233,734	1,177,517
46,075	TIM SA, ADR	352,294	536,313
76,000	VEON Ltd., ADR†	133,023	129,960
98,000	Verizon Communications Inc.	4,220,502	5,092,080
174,000	Vodafone Group plc	300,315	264,392
85,800	Vodafone Group plc, ADR	1,490,854	1,280,994
		47,859,548	33,250,058
	Real Estate — 1.0%		
8,000	Bresler & Reiner Inc.†	162	249
10,267	Gaming and Leisure Properties Inc., REIT	168,653	499,592
57,000	Indus Realty Trust Inc., REIT	659,464	4,620,420
17,000	Rayonier Inc., REIT	267,896	686,120
2,500	Simon Property Group Inc., REIT	350,268	399,425
320,000	The St. Joe Co.	6,253,758	16,656,000
10,000	Weyerhaeuser Co., REIT	264,116	411,800
		7,964,317	23,273,606
	Aviation: Parts and Services — 0.9%		
15,000	Astronics Corp.†	202,833	180,000
153,300	Curtiss-Wright Corp.	12,207,479	21,258,111
		12,410,312	21,438,111
	Automotive — 0.8%		
3,600	Daimler AG	285,547	277,024
10,350	Daimler Truck Holding AG†	331,419	380,488
174,500	General Motors Co.†	8,649,160	10,230,935
70,000	PACCAR Inc.	$ 1,455,874	$ 6,178,200
20,000	Stellantis NV	238,306	375,200
8,000	The Shyft Group Inc.	150,217	393,040
1,850	Toyota Motor Corp., ADR	254,281	342,805
40,000	Traton SE	1,109,949	1,008,256
		12,474,753	19,185,948
	Metals and Mining — 0.8%		
37,400	Agnico Eagle Mines Ltd.	1,530,570	1,987,436
2,000	Alliance Resource Partners LP	18,694	25,280
50,000	Barrick Gold Corp.	1,464,000	950,000
30,000	Cleveland-Cliffs Inc.†	296,432	653,100
106,500	Freeport-McMoRan Inc.	1,783,990	4,444,245
25,239	Livent Corp.†	250,592	615,327
4,300	Materion Corp.	97,511	395,342
50,000	New Hope Corp. Ltd.	67,580	81,122
137,000	Newmont Corp.	5,525,748	8,496,740
62,000	TimkenSteel Corp.†	819,664	1,023,000
10,000	Vale SA, ADR	81,899	140,200
		11,936,680	18,811,792
	Transportation — 0.6%		
24,000	Fortress Transportation and Infrastructure Investors LLC	630,649	694,080
130,200	GATX Corp.	4,720,299	13,565,538
18,500	TravelCenters of America Inc.†	678,597	954,970
		6,029,545	15,214,588
	Communications Equipment — 0.6%		
13,150	Apple Inc.	1,200,428	2,335,046
2,800	Arista Networks Inc.†	258,437	402,500
228,000	Corning Inc.	6,346,477	8,488,440
100,000	Limelight Networks Inc.†	304,412	343,000
1,200	Motorola Solutions Inc.	287,702	326,040
2,500	QUALCOMM Inc.	333,887	457,175
12,500	Telefonaktiebolaget LM Ericsson, Cl. B	151,275	138,042
70,000	Telesat Corp.†	3,346,700	2,006,900
		12,229,318	14,497,143
	Agriculture — 0.6%		
196,000	Archer-Daniels-Midland Co.	9,054,791	13,247,640
10,000	The Mosaic Co.	428,085	392,900
		9,482,876	13,640,540
	Wireless Communications — 0.4%		
105,000	America Movil SAB de CV, Cl. L, ADR	735,233	2,216,550
3,000	Anterix Inc.†	103,876	176,280
58,000	Millicom International Cellular SA, SDR†	2,661,382	1,651,513

See accompanying notes to financial statements.

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Wireless Communications (Continued)		
28,107	T-Mobile US Inc.†	$ 2,535,248	$ 3,259,850
105,400	United States Cellular Corp.†	4,992,206	3,322,208
		11,027,945	10,626,401
	Manufactured Housing and Recreational Vehicles — 0.3%		
1,470	Cavco Industries Inc.†	266,835	466,945
11,514	Legacy Housing Corp.†	171,124	304,776
5,000	Martin Marietta Materials Inc.	106,125	2,202,600
33,822	Nobility Homes Inc.	445,524	1,183,770
40,000	Skyline Champion Corp.†	247,243	3,159,200
2,500	The AZEK Co. Inc.†	91,250	115,600
		1,328,101	7,432,891
	Publishing — 0.3%		
1,400	Graham Holdings Co., Cl. B	698,214	881,762
105,000	News Corp., Cl. A	1,640,478	2,342,550
90,600	News Corp., Cl. B	1,210,037	2,038,500
70,000	The E.W. Scripps Co., Cl. A	831,325	1,354,500
		4,380,054	6,617,312
	Semiconductors — 0.1%		
3,900	Advanced Micro Devices Inc.†	343,285	561,210
80,000	Alphawave IP Group plc†	200,046	216,351
1,000	Analog Devices Inc.	144,587	175,770
2,215	Applied Materials Inc.	264,992	348,552
425	ASML Holding NV	259,347	338,360
1,200	Axcelis Technologies Inc.†	46,181	89,472
2,300	Marvell Technology Inc.	187,881	201,227
1,000	NXP Semiconductors NV	187,812	227,780
3,000	Taiwan Semiconductor Manufacturing Co. Ltd., ADR	350,900	360,930
		1,985,031	2,519,652
	Computer Hardware — 0.0%		
11,000	Dell Technologies Inc., Cl. C†	541,416	617,870
5,500	HP Inc.	153,885	207,185
		695,301	825,055
	TOTAL COMMON STOCKS	1,228,095,041	2,184,947,960
	CLOSED-END FUNDS — 0.3%		
245,000	Altaba Inc., Escrow†	585,400	1,457,750
4,285	Royce Global Value Trust Inc.	37,280	56,219
45,000	Royce Value Trust Inc.	598,747	881,550
96,964	The Central Europe, Russia, and Turkey Fund Inc.	2,782,980	2,558,880
159,600	The New Germany Fund Inc.	$ 2,162,135	$ 2,363,676
		6,166,542	7,318,075
	TOTAL CLOSED-END FUNDS	6,166,542	7,318,075
	PREFERRED STOCKS — 0.0%		
	Consumer Services — 0.0%		
2,750	Qurate Retail Inc., 8.000%, 03/15/31	270,930	283,855
	CONVERTIBLE PREFERRED STOCKS — 0.0%		
	Automotive: Parts and Accessories — 0.0%		
37,672	Garrett Motion Inc., Ser. A, 11.000%	197,778	315,691
	RIGHTS — 0.0%		
	Entertainment — 0.0%		
139,123	Media General Inc., CVR†(c)	0	0
	WARRANTS — 0.0%		
	Diversified Industrial — 0.0%		
379,000	Ampco-Pittsburgh Corp., expire 08/01/25†	258,897	223,534
	Financial Services — 0.0%		
150,000	Post Holdings Partnering Corp., expire 02/09/23†	252,310	127,500
	Energy and Utilities — 0.0%		
2,504	Occidental Petroleum Corp., expire 08/03/27†	12,395	31,576
	TOTAL WARRANTS	523,602	382,610
Principal Amount			
	U.S. GOVERNMENT OBLIGATIONS — 5.1%		
$ 120,295,000	U.S. Treasury Bills, 0.020% to 0.130%††, 01/18/22 to 06/16/22	120,283,500	120,283,761

See accompanying notes to financial statements.

Principal Amount		Cost	Market Value
	SHORT TERM INVESTMENT — 2.8%		
$ 67,850,449	Gabelli U.S. Treasury Money Market Fund, Cl. AAA, 0.010%(d)	$ 67,850,449	$ 67,850,449
TOTAL INVESTMENTS — 100.0%		$ 1,423,387,842	2,381,382,401
Other Assets and Liabilities (Net)			753,022
PREFERRED STOCK (14,827,594 preferred shares outstanding)			(511,487,350)
NET ASSETS — COMMON STOCK (291,796,036 common shares outstanding)			$ 1,870,648,073
NET ASSET VALUE PER COMMON SHARE ($1,870,648,073 ÷ 291,796,036 shares outstanding)			$ 6.41

(a) Securities, or a portion thereof, with a value of $67,009,000 were pledged as collateral for futures contracts.

(b) Securities 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.

(c) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

(d) Investment in an affiliated fund that is registered under the Investment Company Act of 1940, as amended, and is advised by Gabelli Funds, LLC.

† Non-income producing security.

†† Represents annualized yields at dates of purchase.

ADR American Depositary Receipt
CVR Contingent Value Right
REIT Real Estate Investment Trust
SDR Swedish Depositary Receipt

Geographic Diversification	% of Total Investments	Market Value
North America	83.5%	$ 1,988,389,205
Europe	13.7	326,417,132
Japan	1.3	29,884,617
Latin America	1.0	24,770,268
Asia/Pacific	0.5	11,921,179
Total Investments	100.0%	$ 2,381,382,401

As of December 31, 2021, futures contracts outstanding were as follows:

Description	Long/Short	Number of Contracts	Expiration Date	Notional Amount	Value	Unrealized Depreciation
S&P 500 Futures (E-Mini)	Short	65	03/18/22	$15,465,125	$(569,138)	$(569,138)
TOTAL FUTURES						$(569,138)

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Statement of Assets and Liabilities
December 31, 2021

Assets:	
Investments in securities, at value (cost $1,355,537,393)	$ 2,313,531,952
Investments in affiliates, at value (cost $67,850,449)	67,850,449
Cash	562,838
Deposit at brokers	822,250
Receivable for investments in securities sold	622,256
Variation margin receivable	44,688
Dividends and interest receivable	3,906,209
Deferred offering expense	106,112
Prepaid expenses	6,413
Total Assets	2,387,453,167
Liabilities:	
Foreign currency overdraft, at value (cost $317)	319
Distributions payable	363,459
Payable for investment securities purchased	822,347
Payable for investment advisory fees	2,774,975
Payable for payroll expenses	72,829
Payable for accounting fees	3,750
Payable for preferred offering expenses	564,010
Series M Cumulative Preferred Stock, callable and mandatory redemption 03/26/27 (See Notes 2 and 5)	67,850,000
Other accrued expenses	716,055
Total Liabilities	73,167,744
Cumulative Preferred Stock, $0.001 par value:	
Series C (Auction Rate, $25,000 liquidation value, 5,200 shares authorized with 2,492 shares issued and outstanding)	62,300,000
Series E (Auction Rate, $25,000 liquidation value, 2,000 shares authorized with 1,108 shares issued and outstanding)	27,700,000
Series G (5.000%, $25 liquidation value, 12,000,000 shares authorized with 2,779,621 shares issued and outstanding)	69,490,525
Series H (5.000%, $25 liquidation value, 8,000,000 shares authorized with 4,172,873 shares issued and outstanding)	104,321,825
Series J (5.450%, $25 liquidation value, 4,500,000 shares authorized with 3,200,000 shares issued and outstanding)	80,000,000
Series K (5.000%, $25 liquidation value, 4,000,000 shares authorized with 3,993,000 shares issued and outstanding)	99,825,000
Total Preferred Stock	443,637,350
Net Assets Attributable to Common Stockholders	$ 1,870,648,073
Net Assets Attributable to Common Stockholders Consist of:	
Paid-in capital	$ 925,667,747
Total distributable earnings	944,980,326
Net Assets	$ 1,870,648,073
Net Asset Value per Common Share:	
($1,870,648,073 ÷ 291,796,036 shares outstanding at $0.001 par value; 337,024,900 shares authorized)	$ 6.41

Statement of Operations
For the Year Ended December 31, 2021

Investment Income:		
Dividends (net of foreign withholding taxes of $1,166,014)	$ 34,543,531	
Interest	50,710	
Dividends - affiliated	449	
Total Investment Income	34,594,690	
Expenses:		
Investment advisory fees	22,276,183	
Stockholder communications expenses	522,098	
Custodian fees	322,263	
Directors' fees	208,197	
Payroll expenses	204,927	
Legal and audit fees	158,057	
Shareholder services fees	128,879	
Interest expense on preferred stock	112,141	
Accounting fees	45,000	
Interest expense	8,009	
Shelf offering expense	799	
Miscellaneous expenses	472,172	
Total Expenses	24,458,725	
Less:		
Custodian fee credits	(429)	
Expenses paid indirectly by broker (See Note 5)	(10,677)	
Advisory fee reduction on unsupervised assets (See Note 3)	(18,172)	
Total Reductions and Credits	(29,278)	
Net Expenses	24,429,447	
Net Investment Income	10,165,243	
Net Realized and Unrealized Gain/(Loss) on Investments in Securities, Futures Contracts, and Foreign Currency:		
Net realized gain on investments in securities	137,182,628	
Net realized loss on futures contracts	(3,463,205)	
Net realized gain on foreign currency transactions	37,267	
Net realized gain on investments in securities, futures contracts, and foreign currency transactions	133,756,690	
Net change in unrealized appreciation/depreciation:		
on investments in securities	217,058,125	
on futures contracts	43,812	
on foreign currency translations	(58,083)	
Net change in unrealized appreciation/depreciation on investments in securities, futures contracts, and foreign currency translations	217,043,854	
Net Realized and Unrealized Gain/(Loss) on Investments in Securities, Futures Contracts, and Foreign Currency	350,800,544	
Net Increase in Net Assets Resulting from Operations	360,965,787	
Total Distributions to Preferred Stockholders	(18,150,762)	
Net Increase in Net Assets Attributable to Common Stockholders Resulting from Operations	$ 342,815,025	

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Statement of Changes in Net Assets Attributable to Common Stockholders

	Year Ended December 31, 2021	Year Ended December 31, 2020
Operations:		
Net investment income	$ 10,165,243	$ 10,632,558
Net realized gain on investments in securities, futures contracts, and foreign currency transactions	133,756,690	92,881,823
Net change in unrealized appreciation/depreciation on investments in securities, futures contracts, and foreign currency translations	217,043,854	67,427,671
Net Increase in Net Assets Resulting from Operations	360,965,787	170,942,052
Distributions to Preferred Stockholders	(18,150,762)	(18,778,088)
Net Increase in Net Assets Attributable to Common Stockholders Resulting from Operations	342,815,025	152,163,964
Distributions to Common Stockholders:		
Accumulated earnings	(126,041,137)	(85,345,251)
Return of capital	(48,420,884)	(70,082,226)
Total Distributions to Common Stockholders	(174,462,021)	(155,427,477)
Fund Share Transactions:		
Increase in net assets from common shares issued in offering	144,468,461	—
Net increase in net assets from common shares issued upon reinvestment of distributions	24,693,950	22,361,817
Net increase in net assets from repurchase of preferred shares	—	2,917,441
Offering costs for preferred shares charged to paid-in capital	(1,073,071)	—
Net Increase in Net Assets from Fund Share Transactions	168,089,340	25,279,258
Net Increase in Net Assets Attributable to Common Stockholders	336,442,344	22,015,745
Net Assets Attributable to Common Stockholders:		
Beginning of year	1,534,205,729	1,512,189,984
End of year	$ 1,870,648,073	$ 1,534,205,729

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Statement of Cash Flows
December 31, 2021

Net increase in net assets attributable to common stockholders resulting from operations	$	342,815,025
Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to Net Cash from Operating Activities:		
Purchase of long term investment securities		(246,413,185)
Proceeds from sales of long term investment securities.		329,628,849
Net purchases of short term investment securities		(136,357,253)
Net realized gain on investments		(137,182,628)
Net change in unrealized appreciation on investments		(217,058,125)
Net amortization of discount		(48,471)
Net variation margin on futures contracts		(204,588)
Decrease in receivable for investments sold		4,059,815
Increase in dividends and interest receivable		(642,203)
Increase in deferred offering expense		(93,215)
Decrease in prepaid expenses		30,632
Decrease in payable for investments purchased		(1,422,618)
Increase in distributions payable		111,941
Increase in payable for investment advisory fees		295,976
Increase in payable for payroll expenses		26,405
Increase in payable for preferred offering expenses		478,581
Increase in other accrued expenses		183,194
Net cash used in operating activities		(61,791,868)
Net increase in net assets resulting from financing activities:		
Issuance of Series M 4.250% Cumulative Preferred Stock		67,850,000
Offering costs for preferred shares charged to paid-in capital		(1,073,071)
Distributions to common stockholders		(149,768,071)
Proceeds from common shares sold		144,468,461
Net cash provided by financing activities		61,477,319
Net decrease in cash		(314,549)
Cash (including foreign currency):		
Beginning of year		1,699,318
End of year	$	1,384,769

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Supplemental disclosure of cash flow information:		
Interest paid on bank overdrafts	$	8,009
Increase in net assets from common shares issued upon reinvestment of distributions		24,693,950
Value of shares received as part of mergers of certain Fund investments		13,012,688
Value of shares received as part of an exchange offer from one of the Fund's investments		19,527,023

The following table provides a reconciliation of cash, cash held at broker and foreign currency reported within the Statement of Assets and Liabilities that sum to the total of the same amount above at December 31, 2021:

Cash held at broker	$	822,250
Cash		562,838
Foreign currency overdraft, at value		(319)
	$	1,384,769

See accompanying notes to financial statements

The Gabelli Equity Trust Inc.
Financial Highlights

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2021	2020	2019	2018	2017
Operating Performance:					
Net asset value, beginning of year	$ 5.86	$ 5.88	$ 5.25	$ 6.47	$ 5.84
Net investment income	0.04	0.04	0.06	0.07	0.04
Net realized and unrealized gain/(loss) on investments, futures contracts, and foreign currency transactions	1.31	0.60	1.26	(0.57)	1.42
Total from investment operations	1.35	0.64	1.32	(0.50)	1.46
Distributions to Preferred Stockholders: (a)					
Net investment income	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)(b)
Net realized gain	(0.06)	(0.06)	(0.07)	(0.07)	(0.08)
Total distributions to preferred stockholders	(0.07)	(0.07)	(0.08)	(0.08)	(0.08)
Net Increase/(Decrease) in Net Assets Attributable to Common Stockholders Resulting from Operations	1.28	0.57	1.24	(0.58)	1.38
Distributions to Common Stockholders:					
Net investment income	(0.03)	(0.04)	(0.05)	(0.06)	(0.04)
Net realized gain	(0.42)	(0.29)	(0.50)	(0.54)	(0.57)
Return of capital	(0.18)	(0.27)	(0.05)	(0.04)	(0.00)(b)
Total distributions to common stockholders	(0.63)	(0.60)	(0.60)	(0.64)	(0.61)
Fund Share Transactions:					
Increase/(decrease) in net asset value from common share transactions	(0.10)	0.00(b)	0.00(b)	—	(0.14)
Increase in net asset value from common shares issued upon reinvestment of distributions	0.00(b)	—	—	—	—
Increase in net asset value from repurchase of preferred shares	—	0.01	—	—	0.00(b)
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital	(0.00)(b)	—	(0.01)	—	—
Total Fund share transactions	(0.10)	0.01	(0.01)	(0.00)(b)	(0.14)
Net Asset Value Attributable to Common Stockholders, End of Year	$ 6.41	$ 5.86	$ 5.88	$ 5.25	$ 6.47
NAV total return †	22.31%	13.25%	24.03%	(10.17)%	24.64%
Market value, end of year	$ 7.19	$ 6.27	$ 6.09	$ 5.10	$ 6.19
Investment total return ††	28.83%	16.59%	32.19%	(8.43)%	24.65%
Ratios to Average Net Assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of year (in 000's)	$ 2,382,135	$ 1,977,843	$ 1,966,007	$ 1,743,519	$ 2,045,240
Net assets attributable to common shares, end of year (in 000's)	$ 1,870,648	$ 1,534,206	$ 1,512,190	$ 1,330,606	$ 1,632,327
Ratio of net investment income to average net assets attributable to common shares before preferred distributions	0.57%	0.81%	1.01%	1.07%	0.64%
Ratio of operating expenses to average net assets attributable to common shares: before fee reductions (c)(d)	1.37%	1.48%	1.33%(e)	1.37%	1.42%
Ratio of operating expenses to average net assets attributable to common shares: net of fee reductions, if any (c)(f)	1.37%	1.48%	1.33%(e)	1.27%	1.42%
Portfolio turnover rate	12%	13%	11%	17%	11%

See accompanying notes to financial statements.

Selected data for a common share outstanding throughout each year:

	Year Ended December 31, 2021	2020	2019	2018	2017
Cumulative Preferred Stock:					
Auction Rate Series C Preferred					
Liquidation value, end of year (in 000's)	$ 62,300	$ 62,300	$ 72,000	$ 72,000	$ 72,000
Total shares outstanding (in 000's)	2	2	3	3	3
Liquidation preference per share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Liquidation value (g)	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Asset coverage per share (h)	$ 116,432	$ 111,456	$ 108,305	$ 105,562	$ 123,830
5.875% Series D Preferred (i)					
Liquidation value, end of year (in 000's)	—	—	—	$ 59,097	$ 59,097
Total shares outstanding (in 000's)	—	—	—	2,364	2,364
Liquidation preference per share	—	—	—	$ 25.00	$ 25.00
Average market value (j)	—	—	—	$ 25.62	$ 26.16
Asset coverage per share (h)	—	—	—	$ 105.56	$ 123.83
Auction Rate Series E Preferred					
Liquidation value, end of year (in 000's)	$ 27,700	$ 27,700	$ 28,000	$ 28,000	$ 28,000
Total shares outstanding (in 000's)	1	1	1	1	1
Liquidation preference per share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Liquidation value (g)	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Asset coverage per share (h)	$ 116,432	$ 111,456	$ 108,305	$ 105,562	$ 123,830
5.000% Series G Preferred					
Liquidation value, end of year (in 000's)	$ 69,491	$ 69,491	$ 69,495	$ 69,495	$ 69,495
Total shares outstanding (in 000's)	2,780	2,780	2,780	2,780	2,780
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average market value (j)	$ 25.66	$ 25.25	$ 24.57	$ 23.92	$ 24.50
Asset coverage per share (h)	$ 116.43	$ 111.46	$ 108.30	$ 105.56	$ 123.83

See accompanying notes to financial statements.

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2021	**2020**	**2019**	**2018**	**2017**
5.000%Series H Preferred					
Liquidation value, end of year (in 000's)	$ 104,322	$ 104,322	$ 104,322	$ 104,322	$ 104,322
Total shares outstanding (in 000's)	4,173	4,173	4,173	4,173	4,173
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average market value (j)	$ 25.55	$ 25.30	$ 24.68	$ 24.18	$ 24.64
Asset coverage per share (h)	$ 116.43	$ 111.46	$ 108.30	$ 105.56	$ 123.83
5.450% Series J Preferred					
Liquidation value, end of year (in 000's)	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
Total shares outstanding (in 000's)	3,200	3,200	3,200	3,200	3,200
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average market value (j)	$ 26.03	$ 26.00	$ 25.98	$ 25.14	$ 25.36
Asset coverage per share (h)	$ 116.43	$ 111.46	$ 108.30	$ 105.56	$ 123.83
5.000% Series K Preferred					
Liquidation value, end of year (in 000's)	$ 99,825	$ 99,825	$ 100,000	—	—
Total shares outstanding (in 000's)	3,993	3,993	4,000	—	—
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	—	—
Average market value(j)	$ 26.40	$ 25.86	$ 25.24	—	—
Asset coverage per share (h)	$ 116.43	$ 111.46	$ 108.30	—	—
4.250% Series M Cumulative Preferred Shares	$	—	—	—	—
Liquidation value, end of year (in 000's)	$ 67,850	—	—	—	—
Total shares outstanding (in 000's)	679	—	—	—	—
Liquidation preference per share	$ 100.00	—	—	—	—
Average market value(j)	$ 100.00	—	—	—	—
Asset coverage per share(h)	$ 116.43	—	—	—	—
Asset Coverage (k)	466%	446%	433%	422%	495%

† Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend dates and adjustments for the rights offering.

†† Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

(a) Calculated based on average common shares outstanding on the record dates throughout the years.

(b) Amount represents less than $0.005 per share.

(c) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For all years presented there was no impact on the expense ratios.

(d) Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee reductions for the years ended December 31, 2021, 2020, 2019, 2018, and 2017 would have been 1.10%, 1.10%, 1.03%, 1.09%, and 1.10%, respectively.

(e) In 2019, due to failed auctions relating to previous fiscal years, the Fund reversed accumulated auction fees. The 2019 ratio of operating expenses to average net assets attributable to common shares and the ratio of operating expenses to average net assets including liquidation value of preferred shares, excluding the reversal of auction agent fees, were 1.39% and 1.08%, respectively.

(f) Ratio of operating expenses to average net assets including liquidation value of preferred shares net of fee reductions for the years ended December 31, 2021, 2020, 2019, 2018, and 2017 would have been 1.10%, 1.10%, 1.03%, 1.01%, and 1.10%, respectively.

(g) Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auction.

(h) Asset coverage per share is calculated by combining all series of preferred stock.

(i) The Fund redeemed and retired all of the 2,363,860 shares of Series D Preferred Stock on December 26, 2019.

(j) Based on weekly prices.

(k) Asset coverage is calculated by combining all series of preferred stock.

1. Organization. The Gabelli Equity Trust Inc. (the Fund) is a non-diversified closed-end management investment company organized as a Maryland corporation on May 20, 1986 and registered under the Investment Company Act of 1940, as amended (the 1940 Act), whose primary objective is long term growth of capital with income as a secondary objective. Investment operations commenced on August 21, 1986.

The Fund will invest at least 80% of its assets in equity securities under normal market conditions (the 80% Policy). The 80% Policy may be changed without stockholder approval. The Fund will provide stockholders with notice at least sixty days prior to the implementation of any changes in the 80% Policy.

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions, and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations, and its ability to achieve its investment objectives.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the securities are valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 — quoted prices in active markets for identical securities;
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 — significant unobservable inputs (including the Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities and other financial instruments by inputs used to value the Fund's investments as of December 31, 2021 is as follows:

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs (a)	Total Market Value at 12/31/21
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Energy and Utilities	$ 66,440,571	$ 12	—	$ 66,440,583
Equipment and Supplies	158,644,071	564,375	—	159,208,446
Financial Services	264,872,186	308,367	—	265,180,553
Health Care	120,562,285	240	—	120,562,525
Manufactured Housing and Recreational Vehicles	6,249,121	1,183,770	—	7,432,891
Real Estate	23,273,357	249	—	23,273,606
Telecommunications	32,867,034	330,000	$ 53,024	33,250,058
Other Industries (b)	1,509,599,298	—	—	1,509,599,298
Total Common Stocks	2,182,507,923	2,387,013	53,024	2,184,947,960
Closed-End Funds	5,860,325	1,457,750	—	7,318,075
Preferred Stocks (b)	283,855	—	—	283,855
Convertible Preferred Stocks (b)	315,691	—	—	315,691
Rights (b)	—	—	0	0
Warrants (b)	382,610	—	—	382,610
U.S. Government Obligations	—	120,283,761	—	120,283,761
Short Term Investment	67,850,449	—	—	67,850,449
TOTAL INVESTMENTS IN SECURITIES – ASSETS	$ 2,257,200,853	$ 124,128,524	$ 53,024	$ 2,381,382,401

	Valuation Inputs			
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs (a)	Total Market Value at 12/31/21
OTHER FINANCIAL INSTRUMENTS:*				
LIABILITIES (Unrealized Depreciation):				
EQUITY CONTRACTS				
Index Futures Contracts - Short Position	$ (569,138)	—	—	$ (569,138)

(a) The inputs for these securities are not readily available and are derived based on the judgment of the Adviser according to procedures approved by the Board of Directors.
(b) Please refer to the Schedule of Investments (SOI) for the industry classifications of these portfolio holdings.
* Other financial instruments are derivatives reflected in the SOI, such as options, futures, forwards, and swaps, which may be valued at the unrealized appreciation/(depreciation) of the instrument.

During the year ended December 31, 2021, the Fund had no transfers into or out of Level 3.

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

Derivative Financial Instruments. The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

Collateral requirements differ by type of derivative. Collateral requirements are set by the broker or exchange clearing house for exchange traded derivatives, while collateral terms are contract specific for derivatives traded over-the-counter. Securities pledged to cover obligations of the Fund under derivative contracts are noted in the Schedule of Investments. Cash collateral, if any, pledged for the same purpose will be reported separately in the Statement of Assets and Liabilities.

The Fund's policy with respect to offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the master agreement does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

The Fund's derivative contracts held at December 31, 2021, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

Futures Contracts. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. Open positions in futures contracts at December 31, 2021 are reflected within the Schedule of Investments.

During the year ended December 31, 2021, the Fund held an average monthly notional amount of equity index futures contracts of approximately $16,572,175.

As of December 31, 2021, the equity risk exposure associated with the futures contracts can be found in the Statement of Assets and Liabilities, under Assets, Variation margin receivable. For the year ended December 31, 2021, the effect of futures contracts with equity risk exposure can be found in the Statement of Operations, under Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency; Net realized loss on futures contracts; and Net change in unrealized appreciation/depreciation on futures contracts.

Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps. Subject to the guidelines of the Board, the Fund may engage in "commodity interest" transactions (generally, transactions in futures, certain options, certain currency transactions, and certain types of swaps) only for bona fide hedging or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (CFTC). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (CEA), the Adviser has filed a notice of exemption from registration as a "commodity pool operator" with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund which permit the Fund to engage in commodity interest transactions that include (i) "bona fide hedging" transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund's assets committed to margin and options premiums and (ii) non-bona fide hedging transactions, provided that the Fund does not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund's existing futures positions or swaps positions and option or swaption premiums would exceed 5% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund's commodity interest transactions would not exceed 100% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund's performance.

Series M Cumulative Preferred Stock. For financial reporting purposes only, the liquidation value of preferred stock that has a mandatory call date is classified as a liability within the Statement of Assets and Liabilities and the dividends paid on this preferred stock are included as a component of "Interest expense on preferred stock" within the Statement of Operations. Offering costs are amortized over the life of the preferred stock.

Investments in Other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Stockholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2021, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than one basis point.

Foreign Currency Translations. The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

Foreign Securities. The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

Foreign Taxes. The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

Restricted Securities. The Fund may invest up to 10% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. At December 31, 2021, the Fund did not hold any restricted securities.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method or amortized to earliest call date, if applicable. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

Custodian Fee Credits and Interest Expense. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as “Custodian fee credits.” When cash balances are overdrawn, the Fund is charged an overdraft fee of 110% of the 90 day U.S. Treasury Bill rate on outstanding balances. This amount, if any, would be included in the Statement of Operations.

Distributions to Stockholders. Distributions to common stockholders are recorded on the ex-dividend date. Distributions to stockholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to the tax treatment of currency gains and losses and reversal of prior year real estate investment trust long term capital gain. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2021, reclassifications were made to decrease paid-in capital by $592,872, with an offsetting adjustment to total distributable earnings.

Under the Fund's current common share distribution policy, the Fund declares and pays quarterly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's NAV and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.

Distributions to stockholders of the Fund's Series C Auction Rate Cumulative Preferred Stock, Series E Auction Rate Cumulative Preferred Stock, 5.000% Series G Cumulative Preferred Stock, 5.000% Series H Cumulative Preferred Stock, 5.450% Series J Cumulative Preferred Stock, 5.000% Series K Cumulative Preferred Stock, and 4.25% Series M Cumulative Preferred Stock (Preferred Stock) are recorded on a daily basis and are determined as described in Note 6.

The tax character of distributions paid during the years ended December 31, 2021 and 2020 was as follows:

	Year Ended December 31, 2021		**Year Ended December 31, 2020**	
	Common	**Preferred**	**Common**	**Preferred**
Distributions paid from:				
Ordinary income	$ 15,628,317	$ 2,250,582	$ 9,115,669	$ 2,005,675
Net long term capital gains	110,412,820	15,900,180	76,229,582	16,772,413
Return of capital	48,420,884	–	70,082,226	–
Total distributions paid	$ 174,462,021	$ 18,150,762	$ 155,427,477	$ 18,778,088

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At December 31, 2021, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations	$ 945,343,785
Other temporary differences*	(363,459)
Total	$ 944,980,326

* Other temporary differences are due to preferred share class distributions payable.

At December 31, 2021, the temporary differences between book basis and tax basis unrealized appreciation were primarily due to the deferral of losses from wash sales for tax purposes, prior year mark-to-market adjustments on investments no longer considered passive foreign investment companies, basis adjustments on investments in partnerships, and mark-to-market adjustments on currency gains and losses.

The following summarizes the tax cost of investments and derivatives and the related net unrealized appreciation at December 31, 2021:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments	$1,436,068,518	$1,025,271,104	$(79,957,221)	$945,313,883

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. During the year ended December 31, 2021, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2021, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs.

The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Series C and Series E Preferred Stock (C and E Preferred Stock) if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate of the C and E Preferred Stock for the year. The Fund's total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate of the C and E Preferred Stock for the period. During the year ended December 31, 2021, the Fund's total return on the NAV of the common shares exceeded the dividend rate of the outstanding C and E Preferred Stock. Advisory fees were accrued on Series C and Series E Preferred Stock.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser transferred dispositive and voting control to the Fund's Proxy Voting Committee. During the year ended December 31, 2021, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent, and exercised dispositive control, with respect to Bel Fuse Inc. ; the Fund also held a position in an affiilated fund, Gabelli U.S. Treasury Money Market Fund, and the Adviser reduced its fee with respect to such securities by $18,172.

The Fund engaged in purchases transaction with a fund that has a common investment adviser. These purchase transactions complied with Rule 17a-7 under the Act and amounted to $165,460.

4. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2021, other than short term securities and U.S. Government obligations, aggregated $250,828,063 and $322,057,869, respectively. Purchases and sales of U.S. Government Obligations for the year ended December 31, 2021, aggregated $641,486,201 and $505,128,948, respectively.

5. Transactions with Affiliates and Other Arrangements. During the year ended December 31, 2021, the Fund paid $18,606 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2021, the Fund paid $18,606 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. Under the sub-administration agreement with Bank of New York Mellon, the fees paid include the cost of calculating the Fund's NAV. The Fund reimburses the Adviser for this service. During the year ended December 31, 2021, the Fund accrued $45,000 in accounting fees in the Statement of Operations.

The Fund pays retainer and per meeting fees to Directors not affiliated with the Adviser, plus specified amounts to the Lead Director and Audit Committee Chairman. Directors are also reimbursed for out of pocket expenses incurred in attending meetings. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

6. Capital. The Fund's Articles of Incorporation, as amended, permit the Fund to issue 337,024,900 shares of common stock (par value $0.001) and authorizes the Board to increase its authorized shares from time to time. The Board has authorized the repurchase of its shares on the open market when the shares are trading on the NYSE at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the years ended December 31, 2021 and 2020, the Fund did not repurchase any shares of its common stock in the open market.

Transactions in shares of common stock were as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
	Shares	**Amount**	**Shares**	**Amount**
Increase in net assets from common shares issued in offering	26,266,993	$ 144,468,461	—	—
Net increase in net assets from common shares issued upon reinvestment of distributions	3,756,708	24,693,950	4,700,296	$ 22,361,817
Net increase	30,023,701	$ 169,162,411	4,700,296	$ 22,361,817

The Fund has an effective shelf registration authorizing the offering of additional common or preferred stock.

The Fund's Articles of Incorporation, as amended, authorize the issuance of up to 18,000,000 shares of $0.001 par value Preferred Stock. The Preferred Stock is senior to the common stock and results in the financial leveraging of the common stock. Such leveraging tends to magnify both the risks and opportunities to common stockholders. Dividends on shares of the Preferred Stock are cumulative. The Fund is required by the 1940 Act and by the Fund's Articles Supplementary to meet certain asset coverage tests with respect to the Preferred Stock. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Series C, Series E, Series G, Series H, Series J, Series K, and Series M Preferred Stock at redemption prices of $25,000, $25,000, $25, $25, $25, $25, and $100, respectively, per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common stockholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common stockholders.

On June 22, 2021, the Fund distributed one transferable right for each of the 263,511,620 common shares outstanding held on that date. Ten rights were required to purchase one additional common share at the subscription price of $5.50 per share. On July 21, 2021, the Fund issued 26,266,993 common shares receiving net proceeds of $143,868,461, after the deduction of estimated offering expenses of $600,000. The NAV of the Fund decreased by $0.10 per share on the day the additional shares were issued due to the additional shares being issued below NAV.

On December 17, 2021, the Fund issued 678,500 shares of Series M 4.25% Cumulative Preferred Shares receiving $67,091,500 after the deduction of estimated offering expenses of $758,500. The Series M Preferred has a liquidation value of $100 per share, an annual dividend rate of 4.25%. The Series M Preferred Shares are callable at the Fund's option at any time commencing on March 26, 2027 and thereafter. On December 17, 2021, the Fund announced that on January 31, 2022, it will redeem and retire all of the Series J Preferred at the liquidation value of $25 per share plus accrued and unpaid dividends at an annual rate of 4.25%.

For Series C and Series E Preferred Stock, the dividend rates, as set by the auction process that is generally held every seven days, are expected to vary with short term interest rates. Since February 2008, the number of shares of Series C and Series E Preferred Stock subject to bid orders by potential holders has been less than the number of shares of Series C and Series E Preferred Stock subject to sell orders. Holders that have submitted sell orders have not been able to sell any or all of the Series C and Series E Preferred Stock for which they have submitted sell orders. Therefore, the weekly auctions have failed, and the dividend rate has been the maximum rate. For Series C and Series E Preferred Stock, the maximum auction rate is 175% of the "AA" Financial Composite Commercial Paper Rate. Existing Series C and Series E stockholders may submit an order to hold, bid, or sell such shares on each auction date, or trade their shares in the secondary market.

The Fund may redeem at any time, in whole or in part, the Series C, Series E, Series G, Series H, and Series J Preferred Stock, and may redeem the Series K Preferred and Series M Preferred at any time after December 10, 2024 and March 26, 2027, respectively, at their respective liquidation prices plus any accrued and unpaid dividends. In addition, the Board has authorized the repurchase of the Series G, Series H, Series J and Series K Preferred Stock in the open market at a price less than the $25 liquidation value per share. During the year ended December 31, 2020, the Fund repurchased 388 Series C Preferred and 12 Series E Preferred through a negotiated private transaction, repurchased 7,000 Series K Preferred in the open market at an investment of $157,570 and a discount of 10% from its liquidation preference, and did not repurchase or redeem any shares of Series G, Series H, or Series J Preferred Stock. During the year ended December 31, 2021, the Fund did not repurchase any Preferred Stock.

The Fund has the authority to purchase its auction rate Series C and Series E preferred shares through negotiated private transactions. The Fund is not obligated to purchase any dollar amount or number of auction rate preferred shares, and the timing and amount of any auction rate preferred shares purchased will depend on market conditions, share price, capital availability, and other factors. The Fund is not soliciting holders to sell these shares nor recommending that holders offer them to the Fund. Any offers can be accepted or rejected in the Fund's discretion.

The following table summarizes Cumulative Preferred Stock information:

Series	Issue Date	Authorized	Number of Shares Outstanding at 12/31/2021	Net Proceeds	2021 Dividend Rate Range	Dividend Rate at 12/31/2021	Accrued Dividends at 12/31/2021
C Auction Rate	June 27, 2002	5,200	2,492	$128,246,557	0.070% to 0.210%	0.123%	$630
E Auction Rate	October 7, 2003	2,000	1,108	49,350,009	0.070% to 0.210%	0.140%	106
G 5.000%	August 1, 2012	12,000,000	2,779,621	69,407,417	Fixed Rate	5.000	48,257
H 5.000%	September 28, 2012	8,000,000	4,172,873	100,865,695	Fixed Rate	5.000	72,446
J 5.450%	March 28, 2016	4,500,000	3,200,000	77,212,332	Fixed Rate	5.450	60,556
K 5.000%	December 16, 2019	4,000,000	3,993,000	96,525,000	Fixed Rate	5.000	69,323
M 4.250%	December 17, 2021	—	678,500	67,091,500	Fixed Rate	4.250%	112,141

The holders of Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of stockholders of the Fund and will vote together with holders of common stock as a single class. The holders of Preferred Shares voting together as a single class also have the right currently to elect two Directors and, under certain circumstances, are entitled to elect a majority of the Board of Directors. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred shares, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred stock, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred shares and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

7. Transactions in Securities of Affiliated Issuers. The Gabelli U.S. Treasury Money Market Fund is an affiliated security as it is also advised by the Fund's Adviser. A summary of the Fund's transactions in the securities of these issuers during the year ended December 31, 2021 is set forth below:

	Market Value at December 31, 2020	Purchases	Sales Proceeds	Realized Loss	Change In Unrealized Depreciation	Market Value at December 31, 2021	Dividend Income	Percent Owned of Shares
Gabelli U.S. Treasury Money Market Fund, Cl. AAA, 0.010%* .	$ —	$ 67,850,449	$ —	$ —	$ —	$ 67,850,449	$ 449	3.95%
Total				$ —	$ —	$ 67,850,449	$ 449	

* Security was not held at December 31, 2020.

8. Indemnifications. The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

9. Subsequent Events. On January 31, 2022, the Fund redeemed all of its outstanding 5.450% Series J Cumulative Preferred Stock at $25.132465 (the Redemption Price) per Series J Preferred, which consisted of the liquidation preference of $25.00 per share plus $0.132465 per share representing accumulated and unpaid dividends and distributions to the Redemption Date of January 31, 2022. Management has evaluated the impact on the Fund of all other subsequent events occurring through the date the financial statements were issued and has determined that there were no other subsequent events requiring recognition or disclosure in the financial statements.

The Gabelli Equity Trust Inc.
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of The Gabelli Equity Trust Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Equity Trust Inc. (the "Fund") as of December 31, 2021, the related statements of operations and cash flows for the year ended December 31, 2021, the statement of changes in net assets attributable to common stockholders for each of the two years in the period ended December 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, the results of its operations and its cash flows for the year then ended, the changes in its net assets attributable to common stockholders for each of the two years in the period ended December 31, 2021 and the financial highlights for each of the five years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2021 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
New York, New York
February 28, 2022

We have served as the auditor of one or more investment companies in the Gabelli/GAMCO Fund Complex since 1986.

The following includes information that is incorporated by reference in the Fund's Registration Statement and is also a summary of certain changes during the most recent fiscal year ended December 31, 2021. This information may not reflect all of the changes that have occurred since you purchased shares of the Fund.

During the Fund's most recent fiscal year, there were no material changes to the Fund's investment objectives or policies that have not been approved by shareholders or in the principal risk factors associated with an investment in the Fund.

Summary of Updated Information Regarding the Fund

The following information in this annual report is a summary of certain information about the Fund and changes since the Fund's last annual report to shareholders as of December 31, 2020, for the fiscal year ended December 31, 2021. This information may not reflect all of the changes that have occurred since you invested in the Fund.

Investment Objectives and Strategies

There have been no material changes to the Fund's investment objectives or principal investment strategies since the Fund's last annual report to shareholders.

Investment Objectives

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 selected by Gabelli Funds, LLC (the "Investment Adviser"). Income is a secondary investment objective. The investment objectives of long term growth of capital and income are fundamental policies of the Fund. These fundamental policies and the Fund's fundamental investment restrictions described below under "Certain Investment Practices—Investment Restrictions" cannot be changed without the approval of the holders of a majority of the Fund's outstanding shares of preferred stock, voting together as a separate class, and the approval of the holders of a majority of the Fund's outstanding voting securities, voting together as a single class. Such majority votes require, in each case, the lesser of (i) 67% of the Fund's applicable shares represented at a meeting at which more than 50% of the Fund's applicable shares outstanding are represented, whether in person or by proxy, or (ii) more than 50% of the outstanding shares of the applicable class.

Under normal market conditions, the Fund will invest at least 80% of the value of its total assets in equity securities (the "80% Policy"). The 80% Policy may be changed without stockholder approval. The Fund will provide stockholders with notice at least 60 days prior to the implementation of any change in the 80% Policy.

The Investment Adviser selects investments on the basis of fundamental value and, accordingly, the Fund typically invests in the securities of companies that are believed by the Investment Adviser to be priced lower than justified in relation to their underlying assets. Other important factors in the selection of investments include favorable price/earnings and debt/equity ratios and strong management.

The Fund seeks to achieve its secondary investment objective of income, in part, by investing up to 10% of its total assets in fixed income securities rated as low as C by Moody's Investors Services, Inc. ("Moody's") or D by Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. ("S&P") or unrated securities considered to be of equivalent quality. Securities that are rated C by Moody's are the lowest rated class and can be regarded as having extremely poor prospects of ever obtaining investment-grade standing. Debt rated D by S&P is in default or is expected to default upon maturity of payment date. These debt securities, which are often referred to in the financial press as "junk bonds," are predominantly speculative and involve major risk exposure to adverse conditions. The Fund may invest in fixed income securities of any maturity and any duration when it appears that the Fund will be better able to achieve its investment objective through investments in such securities or when the Fund is temporarily in a defensive position. The average duration and average maturity of the Fund's investments in debt securities will vary from time to time depending on the views of the Investment Adviser.

The Fund invests in equity securities across all market capitalization ranges. The Fund may invest up to 35% of its total assets in foreign securities. Among the foreign securities in which the Fund may invest are those issued by companies located in emerging markets.

No assurance can be given that the Fund's investment objectives will be achieved.

Investment Methodology of the Fund

In selecting securities for the Fund, the Investment Adviser normally will consider the following factors, among others:

- the Investment Adviser's own evaluations of the private market value (as defined below), cash flow, earnings per share and other fundamental aspects of the underlying assets and business of the company;
- the potential for capital appreciation of the securities;
- the interest or dividend income generated by the securities;
- the prices of the securities relative to other comparable securities;
- whether the securities are entitled to the benefits of call protection or other protective covenants;
- the existence of any anti-dilution protections or guarantees of the security; and
- the diversification of the portfolio of the Fund as to issuers.

The Investment Adviser's investment philosophy with respect to equity securities is to identify assets that are selling in the public market at a discount to their private market value. The Investment Adviser defines private market value as the value informed purchasers are willing to pay to acquire assets with similar characteristics. The Investment Adviser also normally evaluates an issuer's free cash flow and long term earnings trends. Finally, the Investment Adviser looks for a catalyst, something indigenous to the company, its industry or country, that will surface additional value.

Certain Investment Practices

Foreign Securities. The Fund may invest up to 35% of its total assets in foreign securities including issuers in emerging markets, which are countries in the initial stages of their industrialization cycles. Investing in the equity and debt markets of developing countries involves exposure to economic structures that are generally less diverse and less mature, and to political systems that may have less stability, than those of developed countries. The markets of developing countries historically have been more volatile than the markets of the more mature economies of developed countries, but often have provided higher rates of return to investors.

The Fund may also invest in the debt securities of foreign governments. Although such investments are not a principal strategy of the Fund, there is no independent limit on its ability to invest in the debt securities of foreign governments.

Temporary Investments. Subject to the Fund's investment restrictions, when a temporary defensive period is believed by the Investment Adviser to be warranted ("temporary defensive periods"), the Fund may, without limitation, hold cash or invest its assets in securities of United States government sponsored instrumentalities, including U.S. Treasury securities, in repurchase agreements in respect of those instruments, and in certain high-grade commercial paper instruments. During temporary defensive periods, the Fund may also invest in money market mutual funds that invest primarily in securities of United States government sponsored instrumentalities and repurchase agreements in respect of those instruments. Obligations of certain agencies and instrumentalities of the United States government, such as the Government National Mortgage Association, are supported by the "full faith and credit" of the United States government; others, such as those of the Export-Import Bank of the United States, are supported by the right of the issuer to borrow from the United States Treasury; others, such as those of the Federal National Mortgage Association, are supported by the discretionary authority of the United States government to purchase the agency's obligations; and still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the instrumentality. No assurance can be given that the United States government would provide financial support to United States government sponsored instrumentalities if it is not obligated to do so by law. During temporary defensive periods, the Fund may be less likely to achieve its secondary investment objective of income.

Non-Investment Grade Securities. The Fund may invest up to 10% of its total assets in fixed income securities rated below investment grade by recognized statistical rating agencies or unrated securities of comparable quality. These securities, which may be preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Debt securities that are not rated or that are rated lower than "BBB" by S&P or lower than "Baa" by Moody's are referred to in the financial press as "junk bonds."

Generally, such lower grade securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities, but also (i) will likely have some quality and protective characteristics that, in the judgment of the rating organizations, are outweighed by large uncertainties or major risk exposures to adverse conditions and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality securities. In addition, such securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because such lower grade securities and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Adviser, in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer's operating history, financial resources and its sensitivity to economic conditions and trends, the market support for the facility financed by the issue, the perceived ability and integrity of the issuer's management and regulatory matters.

In addition, the market value of securities in lower rated categories is more volatile than that of higher quality securities, and the markets in which such lower rated or unrated securities are traded are more limited than those in which higher rated securities are traded. The existence of limited markets may make it more difficult for the Fund to obtain accurate market quotations for purposes of valuing its portfolio and calculating its net asset value. Moreover, the lack of a liquid trading market may restrict the availability of securities for the Fund to purchase and may also have the effect of limiting the ability of the Fund to sell securities at their fair value in response to changes in the economy or the financial markets. Lower grade securities also present risks based on payment expectations. If an issuer calls the obligation for redemption (often a feature of fixed income securities), the Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of nonconvertible bonds and preferred stocks moves inversely with movements in interest rates, in the event of rising interest rates, the value of the securities held by the Fund may decline proportionately more than a portfolio consisting of higher rated securities. Investments in zero coupon bonds may be more speculative and subject to greater fluctuations in value due to changes in interest rates than bonds that pay regular income streams.

As part of its investment in non-investment grade securities, the Fund may invest in securities of issuers in default. The Fund will make an investment in securities of issuers in default only when the Investment Adviser believes that such issuers will honor their obligations or emerge from bankruptcy protection under a plan pursuant to which the securities received by the Fund in exchange for its defaulted securities will have a value in excess of the Fund's investment. By investing in securities of issuers in default, the Fund bears the risk that these issuers will not continue to honor their obligations or emerge from bankruptcy protection or that the value of the securities will not otherwise appreciate. In addition to using recognized rating agencies and other sources, the Investment Adviser also performs its own analysis of issues in seeking investments that it believes to be underrated (and thus higher yielding) in light of the financial condition of the issuer. Its analysis of issuers may include, among other things, current and anticipated cash flow and borrowing requirements, value of assets in relation to historical cost, strength of management, responsiveness to business conditions, credit standing, and current anticipated results of operations. In selecting investments for the Fund, the Investment Adviser may also consider general business conditions, anticipated changes in interest rates, and the outlook for specific industries.

Subsequent to its purchase by the Fund, an issue of securities may cease to be rated or its rating may be reduced. In addition, it is possible that statistical rating agencies may change their ratings of a particular issue to reflect subsequent events. Moreover, such ratings do not assess the risk of a decline in market value. None of these events will require the sale of the securities by the Fund, although the Investment Adviser will consider these events in determining whether the Fund should continue to hold the securities.

The market for lower grade and comparable unrated securities has experienced several periods of significantly adverse price and liquidity, particularly at or around times of economic recessions. Past market recessions have adversely affected the value of such securities as well as the ability of certain issuers of such securities to repay principal and pay interest thereon or to refinance such securities. The market for those securities may react in a similar fashion in the future.

Futures Contracts and Options on Futures. On behalf of the Fund, the Investment Adviser may, subject to the Fund's investment restrictions and guidelines of the Board, purchase and sell financial futures contracts and options thereon which are traded on a commodities exchange or board of trade for certain hedging, yield enhancement and risk management purposes. These futures contracts and related options may be written on debt securities, financial indices, securities indices, United States government securities and foreign currencies. A financial futures contract is an agreement to purchase or sell an agreed amount of securities or currencies at a set price for delivery in the future. A "sale" of a futures contract (or a "short" futures position) means the assumption of a contractual obligation to deliver the assets underlying the contract at a specified price at a specified future time. A "purchase" of a futures contract (or a "long" futures position) means the assumption of a contractual obligation to acquire the assets underlying the contract at a specified price at a specified future time. Certain futures contracts, including stock and bond index futures, are settled on a net cash payment basis rather than by the sale and delivery of the assets underlying the futures contracts. No consideration will be paid or received by the Fund upon the purchase or sale of a futures contract. Initially, the Fund will be required to deposit with the broker an amount of cash or cash equivalents equal to approximately 1% to 10% of the contract amount (this amount is subject to change by the exchange or board of trade on which the contract is traded and brokers or members of such board of trade may charge a higher amount). This amount is known as "initial margin" and is in the nature of a performance bond or good faith deposit on the contract. Subsequent payments, known as "variation margin," to and from the broker will be made daily as the price of the index or security underlying the futures contract fluctuates. At any time prior to the expiration of a futures contract, the Fund may close the position by taking an opposite position, which will operate to terminate its existing position in the contract.

An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in a futures contract at a specified exercise price at any time prior to the expiration of the option. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account attributable to that contract, which represents the amount by which the market price of the futures contract exceeds, in the case of a call option, or is less than, in the case of a put option, the exercise price of the option on the futures contract. The potential loss related to the purchase of an option on a futures contract is limited to the premium paid for the option (plus transaction costs). Because the value of the option purchased is fixed at the point of sale, there are no daily cash payments by the purchaser to reflect changes in the value of the underlying contract; however, the value of the option does change daily and that change would be reflected in the net assets of the Fund.

Futures and options on futures entail certain risks, including but not limited to the following: no assurance that futures contracts or options on futures can be offset at favorable prices, possible reduction of the yield of the Fund due to the use of hedging, possible reduction in value of both the securities hedged and the hedging instrument, possible lack of liquidity due to daily limits on price fluctuations, imperfect correlation between the contracts and the securities being hedged, losses from investing in futures transactions that are potentially unlimited and the segregation requirements described below.

In the event the Fund sells a put option, the Fund will segregate or "earmark" cash, U.S. government securities or other liquid assets equal to the full notional value of the underlying security due in sold put options (less any margin on deposit). The Fund also reserves the right to instead cover its obligation by either purchasing a put option on the same reference asset with a strike price that equals or is higher than the strike price of the put option sold or selling short the instruments or currency underlying the put option at the same or higher price than the strike price of the put option. In the event the Fund enters into long futures contracts, the Fund will segregate or "earmark" cash, U.S. government securities or other liquid assets in an amount equal to the full notional value of the contract (less any margin on deposit). For short positions in futures contracts and sales of call options, the Fund may establish a segregated account (not with a futures commission merchant or broker) with cash or liquid securities that, when added to amounts deposited with a futures commission merchant or a broker as margin, equal the market value of the instruments or currency underlying the futures contract or call option or the market price at which the short positions were established. These earmarking, segregation or cover requirements can result in the Fund maintaining securities positions it would otherwise liquidate, segregating or earmarking assets at a time when it might be disadvantageous to do so or otherwise restrict portfolio management. By August 19, 2022, the Fund will be required to implement and comply with new Rule 18f-4 under the Investment Company Act of 1940, as amended (the “1940 Act”), which, once implemented, will eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act with respect to derivatives, among other things.

The Investment Adviser has claimed an exclusion, granted to operators of registered investment companies like the Fund, from registration as a commodity pool operator (“CPO”) with respect to the Fund under the Commodity Exchange Act (the “CEA”), and, therefore, is not subject to registration or regulation with respect to the Fund under the CEA. As a result, the Fund is limited in its ability to use commodity futures (which include futures on broad-based securities indices and interest rate futures) or options on commodity futures, engage in certain swaps transactions or make certain other investments (whether directly or indirectly through investments in other investment vehicles) for purposes other than “bona fide hedging,” as defined in the rules of the Commodity Futures Trading Commission. With respect to transactions other than for bona fide hedging purposes, either: (1) the aggregate initial margin and premiums required to establish the Fund’s positions in such investments may not exceed 5% of the liquidation value of its portfolio (after accounting for unrealized profits and unrealized losses on any such investments); or (2) the aggregate net notional value of such instruments, determined at the time the most recent position was established, may not exceed 100% of the liquidation value of its portfolio (after accounting for unrealized profits and unrealized losses on any such positions). In addition to meeting one of the foregoing trading limitations, the Fund may not market itself as a commodity pool or otherwise as a vehicle for trading in the futures, options or swaps markets. If the Investment Adviser were required to register as a CPO with respect to the Fund, compliance with additional registration and regulatory requirements would increase Fund expenses. Other potentially adverse regulatory initiatives could also develop.

Swap Contracts. On behalf of the Fund, the Investment Adviser may, subject to the Fund’s investment restrictions and guidelines established by the Board, enter into swap transactions. Swap contracts generally will be used by the Fund for the purpose of seeking to increase the income of the Fund. The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In a typical swap transaction on an equity security, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short term interest rates and the returns on the Fund’s portfolio securities at the time an equity swap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

Options. On behalf of the Fund, the Investment Adviser may, subject to the guidelines of the Board and SEC or staff guidance and any other applicable regulatory authority, purchase or sell (i.e., write) options on securities, securities indices and foreign currencies which are listed on a national securities exchange or in the U.S. over-the-counter ("OTC") markets as a means of achieving additional return or of hedging the value of the Fund's portfolio. The Fund may write covered call options on common stocks that it owns or has an immediate right to acquire through conversion or exchange of other securities in an amount not to exceed 25% of total assets or invest up to 10% of its total assets in the purchase of put options on common stocks that the Fund owns or may acquire through the conversion or exchange of other securities that it owns.

A call option is a contract that gives the holder of the option the right to buy from the writer (seller) of the call option, in return for a premium paid, the security underlying the option at a specified exercise price at any time during the term of the option. The writer of the call option has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price during the option period.

A put option is a contract that gives the holder of the option the right to sell to the writer (seller), in return for the premium, the underlying security at a specified price during the term of the option. The writer of the put, who receives the premium, has the obligation to buy the underlying security upon exercise, at the exercise price during the option period.

If the Fund has written an option, it may terminate its obligation by effecting a closing purchase transaction. This is accomplished by purchasing an option of the same series as the option previously written. There can be no assurance that a closing purchase transaction can be effected when the Fund so desires.

An exchange-traded option may be closed out only on an exchange which provides a secondary market for an option of the same series. Although the Fund will generally purchase or write only those options for which there appears to be an active secondary market, there is no assurance that a liquid secondary market on an exchange will exist for any particular option.

A call option is "covered" if the Fund owns the underlying instrument covered by the call or has an absolute and immediate right to acquire that instrument without additional cash consideration upon conversion or exchange of another instrument held in its portfolio (or for additional cash consideration held in a segregated account by its custodian). A call option is also covered if the Fund holds a call on the same instrument as the call written where the exercise price of the call held is (i) equal to or less than the exercise price of the call written or (ii) greater than the exercise price of the call written if the difference is maintained by the Fund in cash, U.S. government obligations or other high-grade short term obligations in a segregated account with its custodian. A put option is "covered" if the Fund maintains cash or other high-grade short term obligations with a value equal to the exercise price in a segregated account with its custodian, or else holds a put on the same instrument as the put written where the exercise price of the put held is equal to or greater than the exercise price of the put written. If the Fund has written an option, it may terminate its obligation by effecting a closing purchase transaction. This is accomplished by purchasing an option of the same series as the option previously written. However, once the Fund has been assigned an exercise notice, it will be unable to effect a closing purchase transaction. Similarly, if the Fund is the holder of an option, it may liquidate its position by effecting a closing sale transaction. This is accomplished by selling an option with the same terms as the option previously purchased. There can be no assurance that either a closing purchase or sale transaction can be effected when the Fund so desires.

The Fund will realize a profit from a closing transaction if the price of the transaction is less than the premium it received from writing the option or is more than the premium it paid to purchase the option; the Fund will realize a loss from a closing transaction if the price of the transaction is more than the premium it received from writing the option or is less than the premium it paid to purchase the option. Since call option prices generally reflect increases in the price of the underlying security, any loss resulting from the repurchase of a call option may also be wholly or partially offset by unrealized appreciation of the underlying security. Other principal factors affecting the market value of a put or a call option include supply and demand, interest rates, the current market price and price volatility of the underlying security and the time remaining until the expiration date. Gains and losses on investments in options depend, in part, on the ability of the Investment Adviser to predict correctly the effect of these factors. The use of options cannot serve as a complete hedge since the price movement of securities underlying the options will not necessarily follow the price movements of the portfolio securities subject to the hedge.

An option position may be closed out only on an exchange that provides a secondary market for an option with the same terms or in a private transaction. Although the Fund will generally purchase or write only those options for which there appears to be an active secondary market, there is no assurance that a liquid secondary market on an exchange will exist for any particular option. In such event, it might not be possible to effect closing transactions in particular options, so that the Fund would have to exercise its options in order to realize any profit and would incur brokerage commissions upon the exercise of call options and upon the subsequent disposition of underlying securities for the exercise of put options. If the Fund, as a covered call option writer, is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise or otherwise covers the position.

In addition to options on securities, the Fund may also purchase and sell call and put options on securities indices. A stock index reflects in a single number the market value of many different stocks. Relative values are assigned to the stocks included in an index and the index fluctuates with changes in the market values of the stocks. The options give the holder the right to receive a cash settlement during the term of the option based on the difference between the exercise price and the value of the index. By writing a put or call option on a securities index, the Fund is obligated, in return for the premium received, to make delivery of this amount. The Fund may offset its position in the stock index options prior to expiration by entering into a closing transaction on an exchange or it may let the option expire unexercised.

The Fund may also buy or sell put and call options on foreign currencies. A put option on a foreign currency gives the purchaser of the option the right to sell a foreign currency at the exercise price until the option expires. A call option on a foreign currency gives the purchaser of the option the right to purchase the currency at the exercise price until the option expires. Currency options traded on U.S. or other exchanges may be subject to position limits which may limit the ability of the Fund to reduce foreign currency risk using such options. OTC options differ from exchange-traded options in that they are two-party contracts with price and other terms negotiated between buyer and seller and generally do not have as much market liquidity as exchange-traded options. OTC options are considered illiquid securities.

Use of options on securities indices entails the risk that trading in the options may be interrupted if trading in certain securities included in the index is interrupted. The Fund will not purchase these options unless the

Investment Adviser is satisfied with the development, depth and liquidity of the market and the Investment Adviser believes the options can be closed out.

Price movements in the portfolio of the Fund may not correlate precisely with the movements in the level of an index and, therefore, the use of options on indices cannot serve as a complete hedge and will depend, in part, on the ability of the Investment Adviser to predict correctly movements in the direction of the stock market generally or of a particular industry. Because options on securities indices require settlement in cash, the Fund may be forced to liquidate portfolio securities to meet settlement obligations.

Although the Investment Adviser will attempt to take appropriate measures to minimize the risks relating to the Fund's writing of put and call options, there can be no assurance that the Fund will succeed in any option writing program it undertakes.

Securities Index Futures Contracts and Options Thereon. Purchases or sales of securities index futures contracts are used for hedging purposes to attempt to protect the Fund's current or intended investments from broad fluctuations in stock or bond prices. For example, the Fund may sell securities index futures contracts in anticipation of or during a market decline to attempt to offset the decrease in market value of its securities portfolio that might otherwise result. If such decline occurs, the loss in value of portfolio securities may be offset, in whole or part, by gains on the futures position. When the Fund is not fully invested in the securities market and anticipates a significant market advance, it may purchase securities index futures contracts in order to gain rapid market exposure that may, in part or entirely, offset increases in the cost of securities that it intends to purchase. As such purchases are made, the corresponding positions in securities index futures contracts will be closed out. The Fund may write put and call options on securities index futures contracts for hedging purposes.

Currency Futures and Options Thereon. Generally, foreign currency futures contracts and options thereon are similar to the interest rate futures contracts and options thereon discussed previously. By entering into currency futures and options thereon, the Fund will seek to establish the rate at which it will be entitled to exchange U.S. dollars for another currency at a future time. By selling currency futures, the Fund will seek to establish the number of dollars it will receive at delivery for a certain amount of a foreign currency. In this way, whenever the Fund anticipates a decline in the value of a foreign currency against the U.S. dollar, the Fund can attempt to "lock in" the U.S. dollar value of some or all of the securities held in its portfolio that are denominated in that currency. By purchasing currency futures, the Fund can establish the number of dollars it will be required to pay for a specified amount of a foreign currency in a future month. Thus, if the Fund intends to buy securities in the future and expects the U.S. dollar to decline against the relevant foreign currency during the period before the purchase is effected, the Fund can attempt to "lock in" the price in U.S. dollars of the securities it intends to acquire.

The purchase of options on currency futures will allow the Fund, for the price of the premium and related transaction costs it must pay for the option, to decide whether or not to buy (in the case of a call option) or to sell (in the case of a put option) a futures contract at a specified price at any time during the period before the option expires. If the Investment Adviser, in purchasing an option, has been correct in its judgment concerning the direction in which the price of a foreign currency would move as against the U.S. dollar, the Fund may exercise the option and thereby take a futures position to hedge against the risk it had correctly anticipated or close out the option position at a gain that will offset, to some extent, currency exchange losses otherwise suffered by the Fund. If exchange rates move in a way the Fund did not anticipate, however, the Fund will have incurred the expense of the option without obtaining the expected benefit; any such movement in exchange rates may also thereby reduce, rather than enhance, the Fund's profits on its underlying securities transactions.

Forward Currency Exchange Contracts. Subject to guidelines of the Board, the Fund may enter into forward foreign currency exchange contracts to protect the value of its portfolio against future changes in the level of currency exchange rates. The Fund may enter into such contracts on a "spot" (i.e., cash) basis at the rate then prevailing in the currency exchange market or on a forward basis, by entering into a forward contract to purchase or sell currency. A forward contract on foreign currency is an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days agreed upon by the parties from the date of the contract at a price set on the date of the contract. The Fund's dealings in forward contracts generally will be limited to hedging involving either specific transactions or portfolio positions. The Fund does not have an independent limitation on its investments in foreign currency futures contracts and options on foreign currency futures contracts.

At or before the maturity of a forward sale contract, the Fund may either sell a portfolio security and make delivery of the currency, or retain the security and offset its contractual obligations to deliver the currency by purchasing a second contract pursuant to which the Fund will obtain, on the same maturity date, the same amount of the currency which it is obligated to deliver. If the Fund retains the portfolio security and engages in an offsetting transaction, the Fund, at the time of execution of the offsetting transaction, will incur a gain or a loss to the extent that movement has occurred in forward contract prices. Should forward prices decline during the period between entering into a forward contract by the Fund for the sale of a currency and the date it enters into an offsetting contract for the purchase of the currency, the Fund will realize a gain to the extent the price of the currency it has agreed to purchase is less than the price of the currency it has agreed to sell. Should forward prices increase, the Fund will suffer a loss to the extent the price of the currency it has agreed to purchase exceeds the price of the currency it has agreed to sell. Closing out forward purchase contracts involves similar offsetting transactions.

The cost to the Fund of engaging in currency transactions varies with factors such as the currency involved, the length of the contract period and the market conditions then prevailing. Because forward transactions in currency exchange are usually conducted on a principal basis, no fees or commissions are involved. The use of foreign currency contracts does not eliminate fluctuations in the underlying prices of the securities, but it does establish a rate of exchange that can be achieved in the future. In addition, although forward currency contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result if the value of the currency increases.

If a decline in any currency is generally anticipated by the Investment Adviser, the Fund may not be able to contract to sell the currency at a price above the level to which the currency is anticipated to decline.

Repurchase Agreements. The Fund may enter into repurchase agreements with banks and non-bank dealers of United States government securities which are listed as reporting dealers of the Federal Reserve Bank and which furnish collateral at least equal in value or market price to the amount of their repurchase obligation. In a repurchase agreement, the Fund purchases a debt security from a seller who undertakes to repurchase the security at a specified resale price on an agreed future date. Repurchase agreements are generally for one business day and generally will not have a duration of longer than one week. The SEC has taken the position that, in economic reality, a repurchase agreement is a loan by a fund to the other party to the transaction secured by securities transferred to the fund. The resale price generally exceeds the purchase price by an amount which reflects an agreed upon market interest rate for the term of the repurchase agreement. The Fund's risk is primarily that, if the seller defaults, the proceeds from the disposition of the underlying securities and other collateral for the seller's obligation may be less than the repurchase price. If the seller becomes insolvent, the Fund might be delayed in or prevented from selling the collateral. In the event of a default or bankruptcy by a seller, the Fund will promptly seek to liquidate the collateral. To the extent that the proceeds from any sale of the collateral upon a default in the obligation to repurchase is less than the repurchase price, the Fund will experience a loss. If the financial institution that is a party to the repurchase agreement petitions for bankruptcy or becomes subject to the United States Bankruptcy Code, the law regarding the rights of the Fund is unsettled. As a result, under extreme circumstances, there may be a restriction on the Fund's ability to sell the collateral and the Fund could suffer a loss.

Loans of Portfolio Securities. To increase income, the Fund may lend its portfolio securities to securities broker-dealers or financial institutions if (i) the loan is collateralized in accordance with applicable regulatory requirements and (ii) no loan will cause the value of all loaned securities to exceed 20% of the value of its total assets. If the borrower fails to maintain the requisite amount of collateral, the loan automatically terminates and the Fund could use the collateral to replace the securities while holding the borrower liable for any excess of replacement cost over the value of the collateral. As with any extension of credit, there are risks of delay in recovery and in some cases even loss of rights in collateral should the borrower of the securities fail financially. While these loans of portfolio securities will be made in accordance with guidelines approved by the Fund's Board, there can be no assurance that borrowers will not fail financially. On termination of the loan, the borrower is required to return the securities to the Fund, and any gain or loss in the market price during the loan would inure to the Fund. If the counterparty to the loan petitions for bankruptcy or becomes subject to the United States Bankruptcy Code, the law regarding the Fund's rights is unsettled. As a result, under these circumstances, there may be a restriction on the Fund's ability to sell the collateral and it would suffer a loss.

Borrowing. The Fund may borrow money in accordance with its investment restrictions, including as a temporary measure for extraordinary or emergency purposes. It may not borrow for investment purposes.

Leverage. As provided in the 1940 Act, and subject to compliance with the Fund's investment limitations, the Fund may issue senior securities representing stock, such as preferred stock, so long as immediately following such issuance of stock, its total assets exceed 200% of the amount of such stock. The use of leverage magnifies the impact of changes in net asset value. For example, a fund that uses 33% leverage will show a 1.5% increase or decline in net asset value for each 1% increase or decline in the value of its total assets. In addition, if the cost of leverage exceeds the return on the securities acquired with the proceeds of leverage, the use of leverage will diminish, rather than enhance, the return to the Fund. The use of leverage generally increases the volatility of returns to the Fund.

Additionally, the Fund may enter into derivative transactions that have economic leverage embedded in them. Derivative transactions that the Fund may enter into and the risks associated with them are described herein. The Fund cannot assure you that investments in derivative transactions that have economic leverage embedded in them will result in a higher return on its common stock.

Investment Restrictions. The Fund has adopted certain investment restrictions as fundamental policies of the Fund. Under the 1940 Act, a fundamental policy may not be changed without the vote of a majority, as defined in the 1940 Act, of the outstanding voting securities of the Fund (voting together as a single class). In addition, a majority, as defined in the 1940 Act, of the outstanding preferred stock of the Fund (voting together as a separate class) is also required to change a fundamental policy, as defined in the 1940 Act. The Fund's fundamental investment restrictions prohibit the Fund from: (1) concentrating its investments (i.e., investing more than 25% of the Fund's total assets) in securities of issuers in any particular industry; (2) purchasing securities of other investment companies, except in connection with a merger, consolidation, acquisition or reorganization, if more than 10% of the market value of the total assets of the Fund would be invested in securities of other investment companies, more than 5% of the market value of the total assets of the Fund would be invested in the securities of any one investment company or the Fund would own more than 3% of any other investment company's securities, provided that this restriction does not apply to securities of any investment company organized by the Fund that are to be distributed pro rata as a dividend to its stockholders; (3) purchasing or selling commodities or commodity contracts, except that the Fund may purchase or sell futures contracts and related options thereon if certain conditions are met, and purchasing or selling sell real estate, provided that the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein; (4) purchasing any securities on margin or making short sales, except that the Fund may obtain such short term credit as may be necessary for the clearance of purchases and sales of portfolio securities; (5) making loans of money, except by the purchase of a portion of private or publicly distributed debt obligations or the entering into of repurchase agreements, and the Fund reserves the authority to make loans of its portfolio securities to financial intermediaries in an aggregate amount not exceeding 20% of its total assets; (6) borrowing money, except to the extent permitted by applicable law (i.e., the Fund generally may borrow money in amounts of up to one-third of the Fund's total assets for any purpose, subject to the requirement that the Fund have asset coverage of at least 300% of the amount of its borrowings at the time the borrowing is incurred, and may borrow up to 5% of the Fund's total assets for temporary purposes (for up to 60 days) without maintaining such 300% asset coverage); (7) issuing senior securities, except to the extent permitted by applicable law (i.e., the Fund may issue senior securities (which may be stock, such as preferred shares, and/or securities representing debt, such as notes), subject to the requirement that the Fund maintain asset coverage as required by the 1940 Act); (8) underwriting securities of other issuers except insofar as the Fund may be deemed an underwriter under the Securities Act of 1933, as amended, in selling portfolio securities; and (9) investing more than 10% of its total assets in illiquid securities, such as repurchase agreements with maturities in excess of seven days, or securities that at the time of purchase have legal or contractual restrictions on resale. See also "Leverage Risk — Portfolio Guidelines of Rating Agencies for Preferred Shares and/or Credit Facility."

Portfolio Turnover. The Fund does not engage in the trading of securities for the purpose of realizing short term profits, but adjusts its portfolio as it deems advisable in view of prevailing or anticipated market conditions to accomplish its investment objectives. A high rate of portfolio turnover involves correspondingly greater brokerage commission expenses than a lower rate, and such expenses must be borne by the Fund and its stockholders. High portfolio turnover may also result in the realization of substantial net short term capital gains and any distributions resulting from such gains will be taxable at ordinary income rates for United States federal income tax purposes. The Fund's portfolio turnover rates for the fiscal years ended December 31, 2020 and 2021 were 13% and 12%, respectively. The portfolio turnover rate is calculated by dividing the lesser of sales or purchases of portfolio securities by the average monthly value of a fund's portfolio securities. For purposes of this calculation, portfolio securities exclude purchases and sales of debt securities having a maturity at the date of purchase of one year or less.

Principal Risk Factors

Leverage Risk

The Fund currently uses, and intends to continue to use, leverage for investment purposes by issuing preferred stock. "Leverage" for these purposes means the ratio by which the aggregate amount of senior securities representing indebtedness of the Fund plus the aggregate involuntary liquidation preference of the Fund's preferred stock bears to the Fund's total assets. As of December 31, 2021, the amount of leverage represented approximately 21% of the Fund's net assets. All series of the Fund's preferred stock have the same seniority with respect to distributions and liquidation preference. Preferred stock has seniority over common stock with respect to distributions and upon liquidation of the Fund.

The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having similar investment objectives and policies. The Fund's use of leverage, which can be described as exposure to changes in price at a ratio greater than the amount of equity invested, either through the issuance of preferred stock, borrowing or other forms of market exposure, magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having similar investment objectives and policies. The Fund cannot assure that the issuance of preferred stock will result in a higher yield or return to the holders of the common stock. Also, as the Fund is utilizing leverage, a decline in net asset value could affect the ability of the Fund to make common stock distributions and such a failure to pay dividends or make distributions could result in the Fund ceasing to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code").

Any decline in the net asset value of the Fund's investments would be borne entirely by the holders of common stock. Therefore, if the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in net asset value to the holders of common stock than if the Fund were not leveraged. This greater net asset value decrease will also tend to cause a greater decline in the market price for the common stock. The Fund might be in danger of failing to maintain the required asset coverage of the preferred stock or of losing its ratings on the preferred stock or, in an extreme case, the Fund's current investment income might not be sufficient to meet the dividend requirements on the preferred stock. In order to counteract such an event, the Fund might need to liquidate investments in order to fund a redemption of some or all of the preferred stock.

In addition, the Fund would pay (and the holders of common stock will bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock, including the advisory fees on the incremental assets attributable to such shares.

Holders of preferred stock may have different interests than holders of common stock and may at times have disproportionate influence over the Fund's affairs. Holders of preferred stock, voting together as a separate class, will have the right to elect two members of the Board at all times and in the event dividends become two full years in arrears will have the right to elect a majority of the Directors until such arrearage is completely eliminated. In addition, preferred stockholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion of the Fund to open-end status, and accordingly can veto any such changes.

Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of the Fund's common stock and preferred stock, both by the 1940 Act and by requirements imposed by rating agencies, might impair the Fund's ability to maintain its qualification as a regulated investment company for federal income tax purposes. While the Fund intends to redeem its preferred stock to the extent necessary to enable the Fund to distribute its income as required to maintain its qualification as a regulated investment company under the Code, there can be no assurance that such actions can be effected in time to meet the Code requirements.

- **Special Risks to Holders of Fixed Rate Preferred Stock**

Market Price Fluctuation. Shares of Fixed Rate Preferred Stock that are listed on a national securities exchange may trade at a premium to or discount from liquidation value for various reasons, including changes in interest rates.

Common Stock Repurchases. Repurchases of common stock by the Fund may reduce the net asset coverage of the preferred stock, which could adversely affect their liquidity or market prices, if such preferred shares are listed on a national securities exchange.

Common Stock Distribution Policy. In the event the Fund does not generate a total return from dividends and interest received and net realized capital gains in an amount at least equal to its distributions for a given year, the Fund may return capital as part of its distribution. This would decrease the asset coverage per share with respect to the Fund's preferred stock, which could adversely affect its liquidity or market prices, if such preferred shares are listed on a national securities exchange. See "Risk Factors and Special Considerations —Common Stock Distribution Policy Risk.

Credit Quality Ratings. The Fund may obtain credit quality ratings for its preferred stock, if desired; however, it is not required to do so and may issue shares of preferred stock without any rating. If rated, the Fund does not impose any minimum rating necessary to issue such shares. In order to obtain and maintain attractive credit quality ratings for preferred stock or borrowings, if desired, the Fund's portfolio must satisfy over-collateralization tests established by the relevant rating agencies. These tests are more difficult to satisfy to the extent the Fund's portfolio securities are of lower credit quality, longer maturity or not diversified by issuer and industry within the meaning of such rating agencies' over-collateralization tests. These guidelines could affect portfolio decisions and may be more stringent than those imposed by the 1940 Act. With respect to ratings (if any) of the preferred stock, a rating by a ratings agency does not eliminate or necessarily mitigate the risks of investing in our preferred stock, and a rating may not fully or accurately reflect all of the securities' credit risks. A rating does not address the liquidity or any other market risks of the securities being rated. A rating agency could downgrade the rating of our preferred stock, which may make such securities less liquid in the secondary market. If a rating agency downgrades the rating assigned to our preferred stock, we may alter our portfolio or redeem all or a portion of the preferred stock that are then redeemable under certain circumstances.

- **Portfolio Guidelines of Rating Agencies for Preferred Stock and/or Credit Facility**. In order to obtain and maintain attractive credit quality ratings for preferred stock, if desired, the Fund must comply with investment quality, diversification and other guidelines established by the relevant rating agencies. These tests tend to require over-collateralization and may be more difficult to satisfy to the extent the Fund's portfolio securities are of lower credit quality, longer maturity or not diversified by issuer and industry within the meaning of such rating agencies' collateralization tests. These guidelines could affect portfolio decisions and may be more stringent than those imposed by the 1940 Act. In the event that a rating on the Fund's preferred stock is lowered or withdrawn by the relevant rating agency, the Fund may also be required to redeem all or part of its outstanding preferred stock, and the common stock of the Fund will lose the potential benefits associated with a leveraged capital structure.
- **Impact on Common Stock**. Assuming that leverage will (1) be equal in amount to approximately 21% of the Fund's total net assets, and (2) charge interest or involve dividend payments at a projected blended annual average leverage dividend or interest rate of 4.12%, then the annual return generated by the Fund's portfolio (net of estimated expenses) must exceed approximately 0.89% of the Fund's total net assets in order to cover such interest or dividend payments and other expenses specifically related to leverage. These numbers are merely estimates, used for illustration. Actual dividend rates, interest or payment rates may vary frequently and may be significantly higher or lower than the rate estimated above. The following table is furnished in response to requirements of the SEC. It is designed to illustrate the effect of leverage on common stock total return, assuming investment portfolio total returns (comprised of net investment income of the Fund, realized gains or losses of the Fund and changes in the value of the securities held in the Fund's portfolio) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns experienced or expected to be experienced by the Fund. See "Risks." The table further reflects leverage representing 21% of the Fund's net assets, the Fund's current projected blended annual average leverage dividend or interest rate of 4.12%, a management fee at an annual rate of 1.00% of the liquidation preference of any outstanding preferred stock and estimated annual incremental expenses attributable to any outstanding preferred stock of .01% of the Fund's net assets attributable to shares of common stock.

Assumed Portfolio Total Return (Net of Expenses)	(10.00)%	(5.00)%	0.00%	5.00%	10.00%
Common Stock Total Return	(14.20)%	(7.83)%	(1.46)%	4.90%	11.27%

Common stock total return is composed of two elements — the common share distributions paid by the Fund (the amount of which is largely determined by the taxable income of the Fund (including realized gains or losses) after paying interest on any debt and/or dividends on any preferred stock) and unrealized gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table assumes that the Fund is more likely to suffer capital losses than to enjoy total return. For example, to assume a total return of 0% the Fund must assume that the income it receives on its investments is entirely offset by expenses and losses in the value of those investments.

Special Risks for Holders of Subscription Rights

There is a risk that changes in yield or changes in the credit quality of the Fund may result in the underlying preferred stock or common stock purchasable upon exercise of the subscription rights being less attractive to investors at the conclusion of the subscription period. This may reduce or eliminate the value of the subscription rights. Investors who receive subscription rights may find that there is no market to sell rights they do not wish to exercise. If investors exercise only a portion of the rights, the number of shares of preferred stock or common stock issued may be reduced, and the preferred stock or common stock may trade at less favorable prices than larger offerings for similar securities.

Common Stock Distribution Policy Risk

The Fund has adopted a policy, which may be changed at any time by the Board, of paying a minimum annual distribution of 10% of the average net asset value of the Fund to common stockholders. In the event the Fund does not generate a total return from dividends and interest received and net realized capital gains in an amount equal to or in excess of its stated distribution in a given year, the Fund may return capital as part of such distribution, which may have the effect of decreasing the asset coverage per share with respect to the Fund's preferred stock. Any return of capital should not be considered by investors as yield or total return on their investment in the Fund. For the fiscal year ended December 31, 2021, the Fund made distributions of $0.63 per share of common stock, of which $0.17 per share was deemed return of capital. The Fund has made quarterly distributions with respect to its common stock since 1987. A portion of the distributions to common stockholders during twenty-two of the thirty-three fiscal years that distributions were paid since the Fund's inception has constituted a return of capital. The composition of each distribution is estimated based on the earnings of the Fund as of the record date for each distribution. The actual composition of each of the current year's distributions will be based on the Fund's investment activity through the end of the calendar year.

Value Investing Risk

The Fund invests in dividend-paying common and preferred stocks that the Investment Adviser believes are undervalued or inexpensive relative to other investments. These types of securities may present risks in addition to the general risks associated with investing in common and preferred stocks. These securities generally are selected on the basis of an issuer's fundamentals relative to current market price. Such securities are subject to the risk of mis-estimation of certain fundamental factors. In addition, during certain time periods market dynamics may strongly favor "growth" stocks of issuers that do not display strong fundamentals relative to market price based upon positive price momentum and other factors. Disciplined adherence to a "value" investment mandate during such periods can result in significant underperformance relative to overall market indices and other managed investment vehicles that pursue growth style investments and/or flexible equity style mandates.

Non-Diversified Status

The Fund is classified as a "non-diversified" investment company under the 1940 Act, which means it is not limited by the 1940 Act in the proportion of its assets that may be invested in the securities of a single issuer. As a non-diversified investment company, the Fund may invest in the securities of individual issuers to a greater degree than a diversified investment company. As a result, the Fund may be more vulnerable to events affecting a single issuer and therefore subject to greater volatility than a fund that is more broadly diversified. Accordingly, an investment in the Fund may present greater risk to an investor than an investment in a diversified company. To qualify as a "regulated investment company," or "RIC," for purposes of the Code, the Fund has in the past conducted and intends to conduct its operations in a manner that will relieve it of any liability for federal income tax to the extent its earnings are distributed to stockholders. To so qualify as a "regulated investment company," among other requirements, the Fund will limit its investments so that, at the close of each quarter of the taxable year:

- not more than 25% of the market value of its total assets will be invested in the securities (other than United States government securities or the securities of other RICs) of a single issuer, any two or more issuers in which the Fund owns 20% or more of the voting securities and which are determined to be engaged in the same, similar or related trades or businesses or in the securities of one or more qualified publicly traded partnerships (as defined in the Code); and
- at least 50% of the market value of the Fund's assets will be represented by cash, securities of other regulated investment companies, United States government securities and other securities, with such other securities limited in respect of any one issuer to an amount not greater than 5% of the value of its assets and not more than 10% of the outstanding voting securities of such issuer.

Market Value and Net Asset Value

The Fund is a non-diversified, closed-end management investment company. Shares of closed-end funds are bought and sold in the securities markets and may trade at either a premium to or discount from net asset value. Listed shares of closed-end investment companies often trade at discounts from net asset value. This characteristic of shares of a closed-end fund is a risk separate and distinct from the risk that its net asset value may decrease. The Fund cannot predict whether its listed stock will trade at, below or above net asset value. Since inception, the Fund's shares of common stock have traded at both premiums to and discounts from net asset value. As of December 31, 2021, the market price of the Fund closed at an approximate 12.2% premium to its net asset value. Stockholders desiring liquidity may, subject to applicable securities laws, trade their Fund shares on the NYSE or other markets on which such shares may trade at the then-current market value, which may differ from the then-current net asset value. Stockholders will incur brokerage or other transaction costs to sell stock.

Equity Risk

Investing in the Fund involves equity risk, which is the risk that the securities held by the Fund will fall in market value due to adverse market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate and the particular circumstances and performance of particular companies whose securities the Fund holds. An investment in the Fund represents an indirect economic stake in the securities owned by the Fund, which are for the most part traded on securities exchanges or in the OTC markets. The market value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The net asset value of the Fund may at any point in time be worth less than the amount at the time the stockholder invested in the Fund, even after taking into account any reinvestment of distributions.

Industry Risk

The Fund may invest up to 25% of its total assets in securities of a single industry. Should the Fund choose to do so, the net asset value of the Fund will be more susceptible to factors affecting those particular types of companies, which, depending on the particular industry, may include, among others: governmental regulation; inflation; cost increases in raw materials, fuel and other operating expenses; technological innovations that may render existing products and equipment obsolete; and increasing interest rates resulting in high interest costs on borrowings needed for capital investment, including costs associated with compliance with environmental and other regulations. In such circumstances, the Fund's investments may be subject to greater risk and market fluctuation than a fund that had securities representing a broader range of industries.

Special Risks Related to Fund Investments in Preferred Securities

There are special risks associated with the Fund's investing in preferred securities, including:

- *Deferral.* Preferred securities may include provisions that permit the issuer, at its discretion, to defer dividends or distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred security that is deferring its dividends or distributions, the Fund may be required to report income for tax purposes although it has not yet received such income.
- *Non-Cumulative Dividends.* Some preferred securities are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid. A portion of the portfolio may include investments in non-cumulative preferred securities, whereby the issuer does not have an obligation to make up any arrearages to its stockholder. Should an issuer of a non-cumulative preferred security held by the Fund determine not to pay dividends or distributions on such security, the Fund's return from that security may be adversely affected. There is no assurance that dividends or distributions on non-cumulative preferred securities in which the Fund invests will be declared or otherwise made payable.
- *Subordination.* Preferred securities are subordinated to bonds and other debt instruments in an issuer's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt security instruments.
- *Liquidity.* Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.
- *Limited Voting Rights.* Generally, preferred security holders (such as the Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may be entitled to elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights.
- *Special Redemption Rights.* In certain varying circumstances, an issuer of preferred securities may redeem the securities prior to a specified date. For instance, for certain types of preferred securities, a redemption may be triggered by a change in federal income tax or securities laws. A redemption by the issuer may negatively impact the return of the security held by the Fund.

- *Phantom Income.* Some preferred securities are classified as debt for U.S. federal income tax purposes. If a debt instrument is issued with original issue discount, the Fund could recognize taxable income in advance of the receipt of cash on the investment. This “phantom income” may require the Fund to liquidate other investments (including when it is not advantageous to do so) to meet its distribution requirements or otherwise qualify for treatment as a RIC.

Market Disruption and Geopolitical Risk

The occurrence of events similar to those in recent years, such as localized wars, instability, new and ongoing epidemics and pandemics of infectious diseases and other global health events, natural/environmental disasters, terrorist attacks in the United States and around the world, social and political discord, debt crises, sovereign debt downgrades, increasingly strained relations between the United States and a number of foreign countries, new and continued political unrest in various countries, the exit or potential exit of one or more countries from the EU or the EMU, continued changes in the balance of political power among and within the branches of the U.S. government, government shutdowns, among others, may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the United States and worldwide.

China and the United States have each recently imposed tariffs on the other country’s products. These actions may trigger a significant reduction in international trade, the oversupply of certain manufactured goods, substantial price reductions of goods and possible failure of individual companies and/or large segments of China’s export industry, which could have a negative impact on the Fund’s performance. U.S. companies that source material and goods from China and those that make large amounts of sales in China would be particularly vulnerable to an escalation of trade tensions. Uncertainty regarding the outcome of the trade tensions and the potential for a trade war could cause the U.S. dollar to decline against safe haven currencies, such as the Japanese yen and the euro. Events such as these and their consequences are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future.

The decision made in the British referendum of June 23, 2016 to leave the EU, an event widely referred to as “Brexit,” has led to volatility in the financial markets of the United Kingdom (“UK”) and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. Pursuant to an agreement between the UK and the EU, the UK left the EU on January 31, 2020. The UK and EU have reached an agreement effective January 1, 2021 on the terms of their future trading relationship relating principally to the trading of goods; however, negotiations are ongoing for matters not covered by the agreement, such as the trade of financial services. The longer term economic, legal, political and social framework to be put in place between the UK and the EU remains unclear at this stage and ongoing political and economic uncertainty and periods of exacerbated volatility in both the UK and in wider European markets may continue for some time. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This uncertainty may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute their respective strategies and to receive attractive returns. In particular, currency volatility may mean that the returns of the Fund and its investments are adversely affected by market movements and may make it more difficult, or more expensive, if the Fund elects to execute currency hedges. Potential decline in the value of the British Pound and/or the Euro against other currencies, along with the potential downgrading of the UK's sovereign credit rating, may also have an impact on the performance of portfolio companies or investments located in the UK or Europe. In light of the above, no definitive assessment can currently be made regarding the impact that Brexit will have on the Fund, its investments or its organization more generally.

Cybersecurity incidents affecting particular companies or industries may adversely affect the economies of particular countries, regions or parts of the work in which the Fund invests.

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and has developed into a global pandemic. This pandemic has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. Disruptions in markets can adversely impact the Fund and its investments. Further, certain local markets have been or may be subject to closures, and there can be no certainty regarding whether trading will continue in any local markets in which the Fund may invest, when any resumption of trading will occur or, once such markets resume trading, whether they will face further closures. Any suspension of trading in markets in which the Fund invests will have an impact on the Fund and its investments and will impact the Fund's ability to purchase or sell securities in such market. The outbreak could also impair the information technology and other operational systems upon which the Fund's service providers, including the Investment Adviser, rely, and could otherwise disrupt the ability of employees of the Fund's service providers to perform critical tasks relating to the Fund. The impact of this outbreak has adversely affected the economies of many nations and the entire global economy and may impact individual issuers and capital markets in ways that cannot be foreseen. In the past, governmental and quasi-governmental authorities and regulators through the world have at times responded to major economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy tools, and lower interest rates. An unexpected or sudden reversal of these policies, or the ineffectiveness of such policies, is likely to increase market volatility, which could adversely affect the Fund's investments. Public health crises caused by the outbreak may exacerbate other preexisting political, social and economic risks in certain countries or globally. Other infectious illness outbreaks that may arise in the future could have similar or other unforeseen effects.

The occurrence of any of these above events could have a significant adverse impact on the value and risk profile of the Fund's portfolio. The Fund does not know how long the securities markets may be affected by similar events and cannot predict the effects of similar events in the future on the U.S. economy and securities markets. There can be no assurance that similar events and other market disruptions will not have other material and adverse implications.

Economic Events and Market Risk

Periods of market volatility may continue to occur in the future, in response to various political, social and economic events both within and outside of the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may adversely affect the Fund, including by making valuation of some of the Fund's securities uncertain and/or result in sudden and significant valuation increases or declines in the Fund's holdings. If there is a significant decline in the value of the Fund's portfolio, this may impact the asset coverage levels for the Fund's outstanding leverage.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and our business, financial condition and results of operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. To the extent uncertainty regarding the U.S. or global economy negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or a return to unfavorable economic conditions could impair the Fund's ability to achieve its investment objective.

Regulation and Government Intervention Risk

The U.S. Government and the Federal Reserve, as well as certain foreign governments, recently have taken unprecedented actions designed to support certain financial institutions and segments of the financial markets that experienced extreme volatility, such as implementing stimulus packages, providing liquidity in fixed-income, commercial paper and other markets and providing tax breaks, among other actions. Such actions may have unintended and adverse consequences, such as causing or contributing to an increased risk of inflation. The reduction or withdrawal of Federal Reserve or other U.S. or non-U.S. governmental support could negatively affect financial markets generally and reduce the value and liquidity of certain securities. Additionally, with the cessation of certain market support activities, the Fund may face a heightened level of interest rate risk as a result of a rise or increased volatility in interest rates.

Federal, state, and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the issuers in which the Fund invests in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund is regulated. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective.

The SEC and its staff are engaged in various rulemaking initiatives. Any new rules, guidance or regulatory initiatives resulting from these efforts could increase the Fund's expenses and impact its returns to shareholders or, in the extreme case, impact or limit the Fund's use of various portfolio management strategies or techniques and adversely impact the Fund.

In the aftermath of the global financial crisis, there appears to be a renewed popular, political and judicial focus on finance related consumer protection. Financial institution practices are also subject to greater scrutiny and criticism generally. In the case of transactions between financial institutions and the general public, there may be a greater tendency toward strict interpretation of terms and legal rights in favor of the consuming public, particularly where there is a real or perceived disparity in risk allocation and/or where consumers are perceived as not having had an opportunity to exercise informed consent to the transaction. In the event of conflicting interests between retail investors holding common shares of a closed-end investment company such as the

Fund and a large financial institution, a court may similarly seek to strictly interpret terms and legal rights in favor of retail investors.

The Fund may be affected by governmental action in ways that are not foreseeable, and there is a possibility that such actions could have a significant adverse effect on the Fund and its ability to achieve its investment objective.

Inflation Risk

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund's shares and distributions therefore may decline. In addition, during any periods of rising inflation, dividend rates of any debt securities issued by the Fund would likely increase, which would tend to further reduce returns to the Fund's common stockholders.

Deflation Risk

Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and their revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

Interest Rate Transactions

The Fund may enter into interest rate swap or cap transactions. The use of interest rate swaps and caps is a highly specialized activity that involves certain risks to the Fund including, among others, counterparty risk and early termination risk.

Foreign Securities

The Fund may invest up to 35% of its total assets in securities of foreign issuers, including emerging market issuers, determined at the time of purchase. Investments in the securities of foreign issuers involve certain considerations and risks not ordinarily associated with investments in securities of domestic issuers and such securities may be more volatile than those of issuers in the United States. Foreign companies are not generally subject to uniform accounting, auditing and financial standards, and requirements comparable to those applicable to United States companies. Foreign securities exchanges, brokers and listed companies may be subject to less government supervision and regulation than exists in the United States. Dividend and interest income may be subject to withholding and other foreign taxes, which may adversely affect the net return on such investments. There may be difficulty in obtaining or enforcing a court judgment abroad. In addition, it may be difficult to effect repatriation of capital invested in certain countries. Also, with respect to certain countries, there are risks of expropriation, confiscatory taxation, political or social instability or diplomatic developments that could affect assets of the Fund held in foreign countries. Dividend income that the Fund receives from foreign securities may not be eligible for the special tax treatment applicable to qualified dividend income. Moreover, certain equity investments in foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk.

There may be less publicly available information about a foreign company than a United States company. Foreign securities markets may have substantially less volume than United States securities markets and some foreign company securities are less liquid than securities of otherwise comparable United States companies. A portfolio of foreign securities may also be adversely affected by fluctuations in the rates of exchange between the currencies of different nations and by exchange control regulations. Foreign markets also have different clearance and settlement procedures that could cause the Fund to encounter difficulties in purchasing and selling securities on such markets and may result in the Fund missing attractive investment opportunities or experiencing loss. In addition, a portfolio that includes foreign securities can expect to have a higher expense ratio because of the increased transaction costs on non-United States securities markets and the increased costs of maintaining the custody of foreign securities.

The Fund also may purchase sponsored American Depositary Receipts ("ADRs") or United States dollar denominated securities of foreign issuers, including emerging market issuers. ADRs are receipts issued by United States banks or trust companies in respect of securities of foreign issuers held on deposit for use in the United States securities markets. While ADRs may not necessarily be denominated in the same currency as the securities into which they may be converted, many of the risks associated with foreign securities may also apply to ADRs. In addition, the underlying issuers of certain depositary receipts, particularly unsponsored or unregistered depositary receipts, are under no obligation to distribute stockholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities.

Emerging Markets

The Fund may invest up to 35% of its total assets in foreign securities, including securities of issuers whose primary operations or principal trading market is in an "emerging market." An "emerging market" country is any country that is considered to be an emerging or developing country by the International Bank for Reconstruction and Development (the "World Bank"). Investing in securities of companies in emerging markets may entail special risks relating to potential political and economic instability and the risks of expropriation, nationalization, confiscation or the imposition of restrictions on foreign investment, the lack of hedging instruments and restrictions on repatriation of capital invested. Emerging securities markets are substantially smaller, less developed, less liquid and more volatile than the major securities markets. The limited size of emerging securities markets and limited trading value compared to the volume of trading in U.S. securities could cause prices to be erratic for reasons apart from factors that affect the quality of the securities. For example, limited market size may cause prices to be unduly influenced by traders who control large positions. Adverse publicity and investors' perceptions, whether or not based on fundamental analysis, may decrease the value and liquidity of portfolio securities, especially in these markets. Other risks include high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of investors and financial intermediaries; overdependence on exports, including gold and natural resources exports, making these economies vulnerable to changes in commodity prices; overburdened infrastructure and obsolete or unseasoned financial systems; environmental problems; potential for sanctions; less developed legal systems, and deficiencies in regulatory oversight, market infrastructure, shareholder protections; differences in regulatory, accounting, auditing and financial reporting and recordkeeping standards; and less reliable securities custodial services and settlement practices.

Smaller Companies

The Fund may invest in smaller companies that may benefit from the development of new products and services. These smaller companies may present greater opportunities for capital appreciation, and may also involve greater investment risk than larger, more established companies. For example, smaller companies may have more limited product lines, market or financial resources and their securities may trade less frequently and in lower volume than the securities of larger, more established companies. As a result, the prices of the securities of such smaller companies may fluctuate to a greater degree than the prices of securities of other issuers.

Investment Companies

The Fund may invest in the securities of other investment companies to the extent permitted by law. To the extent the Fund invests in the common equity of investment companies, the Fund will bear its ratable share of any such investment company's expenses, including management fees. The Fund will also remain obligated to pay management fees to the Investment Adviser with respect to the assets invested in the securities of other investment companies. In these circumstances holders of the Fund's common stock will be subject to duplicative investment expenses.

Fixed Income Securities

Fixed income securities in which the Fund may invest are generally subject to the following risks:

- *Interest Rate Risk*. The market value of bonds and other fixed-income or dividend paying securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other income or dividend paying securities will increase as interest rates fall and decrease as interest rates rise. The Fund may be subject to a greater risk of rising interest rates due to the current period of historically low interest rates.
- *Issuer Risk*. Issuer risk is the risk that the value of an income or dividend paying security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer, and the value of the assets of the issuer.
- *Credit Risk*. Credit risk is the risk that one or more income or dividend paying securities in the Fund's portfolio will decline in price or fail to pay interest/distributions or principal when due because the issuer of the security experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates.
- *Prepayment Risk*. Prepayment risk is the risk that during periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled. For income or dividend paying securities, such payments often occur during periods of declining interest rates, forcing the Fund to re-

invest in lower yielding securities, resulting in a possible decline in the Fund's income and distributions to shareholders.

- *Reinvestment Risk*. Reinvestment risk is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed income securities at market interest rates that are below the Fund portfolio's current earnings rate.
- *Duration and Maturity Risk.* The Fund may incur costs in seeking to adjust the portfolio average duration or maturity. In comparison to maturity (which is the date on which the issuer of a debt instrument is obligated to repay the principal amount), duration is a measure of the price volatility of a debt instrument as a result in changes in market rates of interest, based on the weighted average timing of the instrument's expected principal and interest payments. Specifically, duration measures the anticipated percentage change in net asset value that is expected for every percentage point change in interest rates. The two have an inverse relationship. For example, a duration of five years means that a 1% decrease in interest rates will increase the NAV of the portfolio by approximately 5%; if interest rates increase by 1%, the NAV will decrease by 5%. However, in a managed portfolio of fixed income securities having differing interest or dividend rates or payment schedules, maturities, redemption provisions, call or prepayment provisions and credit qualities, actual price changes in response to changes in interest rates may differ significantly from a duration-based estimate at any given time. Actual price movements experienced by a portfolio of fixed income securities will be affected by how interest rates move (i.e., changes in the relationship of long term interest rates to short term interest rates), the magnitude of any move in interest rates, actual and anticipated prepayments of principal through call or redemption features, the extension of maturities through restructuring, the sale of securities for portfolio management purposes, the reinvestment of proceeds from prepayments on and from sales of securities, and credit quality-related considerations whether associated with financing costs to lower credit quality borrowers or otherwise, as well as other factors. Accordingly, while duration maybe a useful tool to estimate potential price movements in relation to changes in interest rates, investors are cautioned that duration alone will not predict actual changes in the net asset or market value of the Fund's shares and that actual price movements in the Fund's portfolio may differ significantly from duration-based estimates. Duration differs from maturity in that it takes into account a security's yield, coupon payments and its principal payments in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration. There can be no assurance that the Investment Adviser's assessment of current and projected market conditions will be correct or that any strategy to adjust duration or maturity will be successful at any given time.
- *Liquidity Risk.* Certain fixed income securities in which the Fund invests may be or become illiquid.

LIBOR Risk

The Fund may be exposed to financial instruments that are tied to the London Interbank Offered Rate ("LIBOR") to determine payment obligations, financing terms, hedging strategies or investment value. The Fund may also obtain financing at floating rates based on LIBOR. Derivative instruments utilized by the Fund may also reference LIBOR.

The United Kingdom's Financial Conduct Authority announced a phase out of LIBOR such that after June 30, 2023, the overnight, 1-month, 3-month, 6-month and 12-month U.S. dollar LIBOR settings will cease to be published or will no longer be representative. All other LIBOR settings and certain other interbank offered rates, such as the Euro Overnight Index Average ("EONIA"), ceased to be published or representative after December 31, 2021. The Fund may have investments linked to other interbank offered rates that may also cease to be published in the future. Various financial industry groups have been planning for the transition away from LIBOR, but there remain challenges to converting certain securities and transactions to a new reference rate (e.g., the Secured Overnight Financing Rate ("SOFR"), which is intended to replace the U.S. dollar LIBOR).

There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. Abandonment of or modifications to LIBOR could lead to significant short-term and long-term uncertainty and market instability.

The market transition away from LIBOR and other current reference rates to alternative reference rates is complex and could have a range of adverse impacts on the Fund's investment program, financial condition and results of operations. Among other negative consequences, this transition could:

- Adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any LIBOR-linked securities, loans and derivatives in which the Fund may invest;
- Require extensive negotiations of and/or amendments to agreements and other documentation governing LIBOR-linked investments products;
- Lead to disputes, litigation or other actions with counterparties or portfolio companies regarding the interpretation and enforceability of "fall back" provisions that provide for an alternative reference rate in the event of LIBOR's unavailability; and
- Cause the Fund to incur additional costs in relation to any of the above factors.

The risks associated with the above factors are heightened with respect to investments in LIBOR-based products that do not include a fall back provision that addresses how interest rates will be determined if LIBOR stops being published. There remains uncertainty regarding the willingness and ability of issuers to add alternative rate-setting provisions in certain existing instruments. Global regulators have advised market participants to cease entering into new contracts using LIBOR as a reference rate, and it is possible that investments in LIBOR-based instruments could invite regulatory scrutiny. Other important factors include the pace of the transition, the specific terms of alternative reference rates accepted in the market, the depth of the market for investments based on alternative reference rates, and the Investment Adviser's ability to develop appropriate investment and compliance systems capable of addressing alternative reference rates.

Non-Investment Grade Securities

The Fund may invest up to 10% of its total assets in fixed income securities rated below investment grade by recognized statistical rating agencies or unrated securities of comparable quality. These securities, which may be preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Debt securities that are not rated or that are rated lower than "BBB" by S&P or lower than "Baa" by Moody's are referred to in the financial press as "junk bonds." Such securities are subject to greater risks than investment grade securities, which reflect their speculative character, including the following:

- greater volatility;
- greater credit risk;
- potentially greater sensitivity to general economic or industry conditions;
- potential lack of attractive resale opportunities (illiquidity); and
- additional expenses to seek recovery from issuers who default.

Fixed income securities purchased by the Fund may be rated as low as C by Moody's or D by S&P or may be unrated securities considered to be of equivalent quality. Securities that are rated C by Moody's are the lowest rated class and can be regarded as having extremely poor prospects of ever obtaining investment-grade standing. Debt rated D by S&P is in default or is expected to default upon maturity of payment date.

The market value of lower rated securities may be more volatile than the market value of higher rated securities and generally tends to reflect the market's perception of the creditworthiness of the issuer and short term market developments to a greater extent than more highly rated securities, which primarily reflect fluctuations in general levels of interest rates. Generally, such non-investment grade securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities, but also (i) will likely have some quality and protective characteristics that, in the judgment of the rating organizations, are outweighed by large uncertainties or major risk exposures to adverse conditions and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality securities. In addition, such securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because such non-investment grade securities and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Adviser, in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer's operating history, financial resources and its sensitivity to economic conditions and trends, the market support for the facility financed by the issue, the perceived ability and integrity of the issuer's management, and regulatory matters.

Non-investment grade securities also present risks based on payment expectations. If an issuer calls the obligation for redemption (often a feature of fixed income securities), the Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of nonconvertible bonds and preferred stocks moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by the Fund may decline proportionately more than a portfolio consisting of higher rated securities. Investments in zero coupon bonds may be more speculative and subject to greater fluctuations in value due to changes in interest rates than bonds that pay regular income streams.

Ratings are relative and subjective, and are not absolute standards of quality. Securities ratings are based largely on the issuer's historical financial condition and the rating agencies' analysis at the time of rating. Consequently, the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition.

As part of its investment in lower grade securities, the Fund may invest in securities of issuers in default. The Fund will make an investment in securities of issuers in default only when the Investment Adviser believes that such issuers will honor their obligations or emerge from bankruptcy protection under a plan pursuant to which the securities received by the Fund in exchange for its defaulted securities will have a value in excess of the Fund's investment. By investing in securities of issuers in default, the Fund bears the risk that these issuers will not continue to honor their obligations or emerge from bankruptcy protection or that the value of the securities will not otherwise appreciate.

Special Risks of Derivative Transactions

The Fund may participate in derivative transactions. Such transactions entail certain execution, market, liquidity, hedging and tax risks. Participation in the options, futures or swaps markets and in currency exchange transactions involves investment risks and transaction costs to which the Fund would not be subject absent the use of these strategies. If the Investment Adviser's prediction of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the consequences to the Fund may leave it in a worse position than if such strategies were not used. Risks inherent in the use of options, foreign currency, swaps contracts, futures contracts and options on futures contracts, swaps contracts, securities indices and foreign currencies include:

- dependence on the Investment Adviser's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets;
- imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged;
- the fact that skills needed to use these strategies are different from those needed to select portfolio securities;
- the possible absence of a liquid secondary market for any particular instrument at any time;
- the possible need to defer closing out certain hedged positions to avoid adverse tax consequences;
- the possible inability of the Fund to purchase or sell a security at a time that otherwise would be favorable for it to do so, or the possible need for the Fund to sell a security at a disadvantageous time due to a need for the Fund to maintain "cover" or to segregate securities in connection with the hedging techniques; and
- the creditworthiness of counterparties.

Options, futures contracts, swaps contracts, and options thereon and forward contracts on securities and currencies may be traded on foreign exchanges. Such transactions may not be regulated as effectively as similar transactions in the United States, may not involve a clearing mechanism and related guarantees, and are subject to the risk of governmental actions affecting trading in, or the prices of, foreign securities. The value of such positions also could be adversely affected by (i) other complex foreign political, legal and economic factors, (ii) lesser availability than in the United States of data on which to make trading decisions, (iii) delays in the ability of the Fund to act upon economic events occurring in the foreign markets during non-business hours in the United States, (iv) the imposition of different exercise and settlement terms and procedures and margin requirements than in the United States and (v) less trading volume. Exchanges on which options, futures, swaps and options on futures or swaps are traded may impose limits on the positions that the Fund may take in certain circumstances.

In October 2020, the Securities and Exchange Commission adopted new regulations governing the use of derivatives by registered investment companies ("Rule 18f-4"). The Fund will be required to implement and comply with new Rule 18f-4 by August 19, 2022. Once implemented, Rule 18f-4 will impose limits on the amount of derivatives a fund can enter into, eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, treat derivatives as senior securities so that a failure to comply with the limits would result in a statutory violation and require funds whose use of derivatives is more than a limited specified exposure to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

Many OTC derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Fund wish or be forced to sell such position may be materially different. Such differences can result in an overstatement of the Fund's net asset value and may materially adversely affect the Fund in situations in which the Fund is required to sell derivative instruments. Exchange-traded derivatives and OTC derivative transactions submitted for clearing through a central counterparty have become subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the Commodity Futures Trading Commission. These regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. These margin requirements will increase the overall costs for the Fund.

While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurance that the Fund's hedging transactions will be effective.

Derivatives may give rise to a form of leverage and may expose the Fund to greater risk and increase its costs.

Futures Transactions

Futures and options on futures entail certain risks, including but not limited to the following:

- no assurance that futures contracts or options on futures can be offset at favorable prices;
- possible reduction of the yield of the Fund due to the use of hedging;
- possible reduction in value of both the securities hedged and the hedging instrument;
- possible lack of liquidity due to daily limits or price fluctuations;
- imperfect correlation between the contracts and the securities being hedged; and
- losses from investing in futures transactions that are potentially unlimited and the segregation requirements for such transactions.

The Fund's ability to establish and close out positions in futures contracts and options thereon will be subject to the development and maintenance of liquid markets. Although the Fund generally will purchase or sell only those futures contracts and options thereon for which there appears to be a liquid market, there is no assurance that a liquid market on an exchange will exist for any particular futures contract or option thereon at any particular time.

In the event no liquid market exists for a particular futures contract or option thereon in which the Fund maintains a position, it will not be possible to effect a closing transaction in that contract or to do so at a satisfactory price and the Fund would have to either make or take delivery under the futures contract or, in the case of a written option, wait to sell the underlying securities until the option expires or is exercised or, in the case of a purchased option, exercise the option. In the case of a futures contract or an option thereon which the Fund has written and which the Fund is unable to close, the Fund would be required to maintain margin deposits on the futures contract or option thereon and to make variation margin payments until the contract is closed.

Successful use of futures contracts and options thereon and forward contracts by the Fund is subject to the ability of the Investment Adviser to predict correctly movements in the direction of interest and foreign currency rates. If the Investment Adviser's expectations are not met, the Fund will be in a worse position than if a hedging strategy had not been pursued. For example, if the Fund has hedged against the possibility of an increase in interest rates that would adversely affect the price of securities in its portfolio and the price of such securities increases instead, the Fund will lose part or all of the benefit of the increased value of its securities because it will have offsetting losses in its futures positions. In addition, in such situations, if the Fund has insufficient cash to meet daily variation margin requirements, it may have to sell securities to meet the requirements. These sales may be, but will not necessarily be, at increased prices that reflect the rising market. The Fund may have to sell securities at a time when it is disadvantageous to do so.

Swap Agreements

The Fund may enter into total rate of return, credit default, interest rate or other types of swaps and related derivatives for various purposes, including to gain economic exposure to an asset or group of assets that may be difficult or impractical to acquire or for hedging and risk management. Swap agreements involve the risk that the party with whom the Fund has entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

Forward Currency Exchange Contracts

The use of forward currency exchange contracts may involve certain risks, including the failure of the counterparty to perform its obligations under the contract and that the use of forward contracts may not serve as a complete hedge because of an imperfect correlation between movements in the prices of the contracts and the prices of the currencies hedged or used for cover.

Counterparty Risk

The Fund will be subject to credit risk with respect to the counterparties to the derivative contracts purchased by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

Loans of Portfolio Securities

Consistent with applicable regulatory requirements and the Fund's investment restrictions, the Fund may lend its portfolio securities to securities broker-dealers or financial institutions, provided that such loans are callable at any time by the Fund (subject to certain notice provisions) and are at all times secured by cash or cash equivalents, which are maintained in a segregated account pursuant to applicable regulations and that are at least equal to the market value, determined daily, of the loaned securities. The advantage of such loans is that the Fund continues to receive the income on the loaned securities while at the same time earning interest on the cash amounts deposited as collateral, which will be invested in short term liquid obligations. The Fund will not lend its portfolio securities if such loans are not permitted by the laws or regulations of any state in which its shares are qualified for sale. The Fund's loans of portfolio securities will be collateralized in accordance with applicable regulatory requirements, which means that "cash equivalents" accepted as collateral will be limited to securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities or irrevocable letters of credit issued by a bank (other than the Fund's bank lending agent, if any, or a borrower of the Fund's portfolio securities or any affiliate of such bank or borrower) which qualifies as a custodian bank for an investment company under the 1940 Act.

For a further description of such loans of portfolio securities, see "Investment Objectives and Policies — Certain Investment Practices — Loans of Portfolio Securities."

Management Risk

The Fund is subject to management risk because it is an actively managed portfolio. The Investment Adviser applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Dependence on Key Personnel

Mario J. Gabelli serves as a portfolio manager of the Fund. The Investment Adviser is dependent upon the expertise of Mr. Mario J. Gabelli in providing advisory services with respect to the Fund's investments. If the Investment Adviser were to lose the services of Mr. Gabelli, its ability to service the Fund could be adversely affected. There can be no assurance that a suitable replacement could be found for Mr. Gabelli in the event of his death, resignation, retirement or inability to act on behalf of the Investment Adviser.

Legislation Risk

At any time after the date of this report, legislation may be enacted that could negatively affect the assets of the Fund. Legislation or regulation may change the way in which the Fund itself is regulated. The Investment Adviser cannot predict the effects of any new governmental regulation that may be implemented and there can be no assurance that any new governmental regulation will not adversely affect the Fund's ability to achieve its investment objective.

Reliance on Service Providers Risk

The Fund must rely upon the performance of service providers to perform certain functions, which may include functions that are integral to the Fund's operations and financial performance. Failure by any service provider to carry out its obligations to the Fund in accordance with the terms of its appointment, to exercise due care and skill or to perform its obligations to the Fund at all as a result of insolvency, bankruptcy or other causes could have a material adverse effect on the Fund's performance and returns to shareholders. The termination of the Fund's relationship with any service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Fund and could have a material adverse effect on the Fund's performance and returns to shareholders.

Cyber Security Risk

The Fund and its service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Fund and its service providers use to service the Fund's operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Fund and its service providers. Cyber attacks against or security breakdowns of the Fund or its service providers may adversely impact the Fund and its stockholders, potentially resulting in, among other things, financial losses; the inability of Fund stockholders to transact business and the Fund to process transactions; inability to calculate the Fund's NAV; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Fund may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investment in such issuers to lose value. There can be no assurance that the Fund or its service providers will not suffer losses relating to cyber attacks or other information security breaches in the future.

Misconduct of Employees and of Service Providers Risk

Misconduct or misrepresentations by employees of the Investment Adviser or the Fund's service providers could cause significant losses to the Fund. Employee misconduct may include binding the Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities, concealing unsuccessful trading activities (which, in any case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by the Fund's service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities. Despite the Investment Adviser's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining the Investment Adviser's due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Investment Adviser will identify or prevent any such misconduct.

Anti-Takeover Provisions of the Fund's Governing Documents

The Fund's Governing Documents include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to an open-end fund.

Status as a Regulated Investment Company

The Fund has qualified, and intends to remain qualified, for federal income tax purposes as a regulated investment company under Subchapter M of the Code. Qualification requires, among other things, compliance by the Fund with certain distribution requirements. Statutory limitations on distributions on the common stock if the Fund fails to satisfy the 1940 Act's asset coverage requirements could jeopardize the Fund's ability to meet such distribution requirements. The Fund presently intends, however, to purchase or redeem preferred stock to the extent necessary in order to maintain compliance with such asset coverage requirements.

Temporary Investments

During temporary defensive periods and during inopportune periods to be fully invested, the Fund may invest in U.S. government securities, including U.S. Treasury securities, and in money market mutual funds that invest in those securities. Obligations of certain agencies and instrumentalities of the U.S. government, such as the Government National Mortgage Association, are supported by the "full faith and credit" of the U.S. government; others, such as those of the Export-Import Bank of the United States, are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the Federal National Mortgage Association, are supported by the discretionary authority of the U.S. government to purchase the agency's obligations; and still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the instrumentality. No assurance can be given that the U.S. government would provide financial support to U.S. government-sponsored instrumentalities if it is not obligated to do so by law.

SUMMARY OF FUND EXPENSES

The following table shows the Fund's expenses, which are borne directly or indirectly by holders of the Fund's common shares, including preferred shares offering expenses, as a percentage of net assets attributable to common shares. The table is based on the capital structure of the Fund as of September 30, 2021. The purpose of the table and example below is to help you understand all fees and expenses that you, as a holder of common shares, would bear directly or indirectly.

Annual Expenses	Percentages of Net Assets Attributable to Common Shares
Management Fees	1.23%(a)
Interest Expense	0.16%(b)
Other Expenses	0.11%(c)
Total Annual Expenses	1.50%
Dividends on Preferred Shares	0.76%(d)
Total Annual Expenses and Dividends on Preferred	2.26%

(a) The Investment Adviser's fee is 1.00% annually of the Fund's average weekly net assets. The Fund's average weekly net assets will be deemed to be the average weekly value of the Fund's total assets minus the sum of the Fund's liabilities (such liabilities exclude (i) the aggregate liquidation preference of outstanding shares of preferred stock and accumulated dividends, if any, on those shares and (ii) the liabilities for any money borrowed). Consequently, because the Fund has preferred stock outstanding, the investment management fees and other expenses as a percentage of net assets attributable to common stock will be higher than if the Fund did not utilize a leveraged capital structure.

(b) The Series M Preferred Shares have a mandatory redemption date of March 26, 2032. Therefore, for financial reporting purposes only, the dividends paid on the Series J Preferred Shares are included as a component of "Interest Expense."

(c) "Other Expenses" are based on the amounts for the year ended December 31, 2021.

(d) Dividends on Preferred Stock represent the estimated annual distributions on the existing preferred stock outstanding. The following example illustrates the expenses you would pay on a $1,000 investment in common stock, assuming a 5% annual portfolio total return.*

	1 Year	3 Year	5 Year	10 Year
Total Expenses Incurred	$23	$70	$121	$259

* The example should not be considered a representation of future expenses. The example is based on Total Annual Expenses and Dividends on Preferred Stock shown in the table above and assumes that the amounts set forth in the table do not change and that all distributions are reinvested at net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund's actual rate of return may be greater or less than the hypothetical 5% return shown in the example. The above example includes Dividends on Preferred Stock. If Dividends on Preferred Stock were not included in the example calculation, the expenses would be as follows (based on the same assumptions as above).

	1 Year	3 Year	5 Year	10 Year
Total Expenses Incurred	$14	$43	$73	$161

Share Price Data

The following table sets forth for the quarters indicated, the high and low sale prices on the NYSE American per share of our common shares and the net asset value and the premium or discount from net asset value per share at which the common shares were trading, expressed as a percentage of net asset value, at each of the high and low sale prices provided.

	Common Share Market Price		Corresponding Net Asset Value ("NAV") Per Share		Corresponding Premium or Discount as a % of NAV(a)	
Quarter Ended	High	Low	High	Low	High	Low
March 31, 2020	$6.23	$3.21	$6.03	$3.10	3.31%	3.54%
June 30, 2020	$5.84	$3.84	$5.28	$3.63	10.60%	5.78%
September 30, 2020	$5.57	$4.90	$5.27	$4.74	5.69%	3.37%
December 31, 2020	$6.74	$5.06	$5.88	$5.02	14.62%	0.79%
March 31, 2021	$6.89	$5.93	$6.51	$5.64	5.69%	5.01%
June 30, 2021	$7.37	$6.67	$6.67	$6.48	10.39%	2.93%
September 30, 2021	$7.07	$6.52	$6.62	$6.26	6.79%	4.15%
December 31, 2021	$7.37	$6.64	$6.46	$6.28	14.08%	5.73%

(a) Premium and discount information is shown for the days when the Fund experienced its high and low closing market prices, respectively, per share during the respective quarter.

Portfolio Managers

Effective August 1, 2021, Macrae (Mac) Sykes was added to the portfolio management team

Macrae (Mac) Sykes became a portfolio manager of the Fund in August 2021. Mac covers the global financial services sector and joined the firm as an analyst in 2008. He has nearly 25 years of industry experience and began his career at Donaldson, Lufkin & Jenrette. Mac was ranked #1 investment services analyst by the Wall Street Journal in 2010, was a runner-up in the annual StarMine analyst awards for stock picking in 2014 and 2018, received several honorable mentions for brokers and asset managers from Institutional Investor and was a contributing author to The Warren Buffett Shareholder: Stories from inside the Berkshire Hathaway Annual Meeting by Lawrence Cunningham and Stephanie Cuba. Mac holds a BA in economics from Hamilton College and an MBA in finance from Columbia Business School.

Unresolved SEC Staff Comments

The Fund does not believe that there are any material unresolved written comments, received 180 days or more before December 31, 2021 from the Staff of the SEC regarding any of the Fund's periodic or current reports under the Securities Exchange Act or the Investment Company Act, or its registration statement.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLAN

Under the Fund's Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan (the "Plan"), a stockholder whose shares of common stock are registered in his or her own name will have all distributions reinvested automatically by Computershare Trust Company, N.A. ("Computershare"), which is an agent under the Plan, unless the stockholder elects to receive cash. Distributions with respect to shares registered in the name of a broker-dealer or other nominee (that is, in "street name") will be reinvested by the broker or nominee in additional shares under the Plan, unless the service is not provided by the broker or nominee or the stockholder elects to receive distributions in cash. Investors who own shares of common stock registered in street name should consult their broker-dealers for details regarding reinvestment. All distributions to investors who do not participate in the Plan will be paid by check mailed directly to the record holder by Computershare as dividend-disbursing agent.

Enrollment in the Plan

It is the policy of the Fund to automatically reinvest dividends payable to common shareholders. As a "registered" stockholder, you automatically become a participant in the Fund's Plan. The Plan authorizes the Fund to credit shares of common stock 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 stockholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their stock certificates to Computershare to be held in their dividend reinvestment account. Registered stockholders wishing to receive their distribution in cash may submit this request through the Internet, by telephone or in writing to:

The Gabelli Equity Trust Inc.
c/o Computershare
P.O. Box 505000
Louisville, KY 40233-5000
Telephone: (800) 336-6983
Website: www.computershare.com/investor

Stockholders requesting this cash election must include the stockholder's name and address as they appear on the share certificate. Stockholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact Computershare at the website or telephone number above 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. Stockholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Stockholders 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 Fund'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 Fund's common stock. The valuation date is the dividend or distribution payment date or, if that date is not a NYSE 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 Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy common stock in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund 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 U.S. 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. Voluntary Cash Purchase Plan

The Voluntary Cash Purchase Plan is yet another vehicle for our stockholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, stockholders 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 Computershare for investments in the Fund's shares at the then current market price. Stockholders may send an amount from $250 to $10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each stockholder who participates $0.75, plus a per share fee (currently $0.02 per share). Per share fees include any applicable brokerage commissions Computershare is required to pay and fees for such purchases are expected to be less than the usual fees for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 6006, Carol Stream, IL 60197-6006 such that Computershare receives such payments approximately two business before the 1st and 15th of the month. Funds not received at least two business before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least two business days before such payment is to be invested. Stockholders wishing to liquidate shares held at Computershare may do so through the Internet, in writing or by telephone to the above-mentioned website, address or telephone number. Include in your request your name, address, and account number. Computershare will sell such shares through a broker-dealer selected by Computershare within 5 business days of receipt of the request. The sale price will equal the weighted average price of all shares sold through the Plan on the day of the sale, less applicable fees. Participants should note that Computershare is unable to accept instructions to sell on a specific date or at a specific price. The cost to liquidate shares is $2.50 per transaction as well as the per share fee (currently $0.10 per share) Per share fees include any applicable brokerage commissions Computershare is required to pay and are expected to be less than the usual fees for such transactions. For more information regarding the Automatic Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund. The Fund 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 30 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 30 days written notice to participants in the Plan.

The Gabelli Equity Trust Inc.
Financial Highlights

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Operating Performance:					
Net asset value, beginning of year	$ 5.70	$ 6.78	$ 7.23	$ 5.60	$ 5.20
Net investment income	0.07	0.06	0.07	0.06	0.09
Net realized and unrealized gain/(loss) on investments, futures contracts, swap contracts, and foreign currency transactions	0.75	(0.44)	0.30	2.26	0.97
Total from investment operations	0.82	(0.38)	0.37	2.32	1.06
Distributions to Preferred Shareholders: (a)					
Net investment income	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)
Net realized gain	(0.06)	(0.05)	(0.05)	(0.06)	(0.05)
Total distributions to preferred shareholders	(0.07)	(0.06)	(0.06)	(0.07)	(0.08)
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations	0.75	(0.44)	0.31	2.25	0.98
Distributions to Common Shareholders:					
Net investment income	(0.08)	(0.05)	(0.05)	(0.05)	(0.06)
Net realized gain	(0.52)	(0.44)	(0.49)	(0.57)	(0.11)
Return of capital	(0.00)(b)	(0.15)	(0.10)	—	(0.39)
Total distributions to common shareholders	(0.60)	(0.64)	(0.64)	(0.62)	(0.56)
Fund Share Transactions:					
Decrease in net asset value from common share transactions	—	—	(0.12)	0.00(b)	—
Increase in net asset value from repurchase of preferred shares	0.00(b)	0.00(b)	0.00(b)	0.00(b)	—
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital	(0.01)	—	—	0.00(b)	(0.02)
Total Fund share transactions	(0.01)	0.00(b)	(0.12)	0.00(b)	(0.02)
Net Asset Value Attributable to Common Shareholders, End of Year	$ 5.84	$ 5.70	$ 6.78	$ 7.23	$ 5.60
NAV total return †	13.66%	(6.85)%	4.68%	41.90%	19.05%
Market value, end of year	$ 5.52	$ 5.31	$ 6.47	$ 7.75	$ 5.58
Investment total return ††	15.71%	(8.54)%	(6.08)%	52.44%	23.62%
Ratios to Average Net Assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of year (in 000's)	$1,693,448	$1,582,823	$1,820,361	$1,712,663	$1,384,961
Net assets attributable to common shares, end of year (in 000's)	$1,280,115	$1,249,157	$1,486,491	$1,378,436	$1,050,451
Ratio of net investment income to average net assets attributable to common shares before preferred distributions	1.23%	0.91%	0.82%	0.84%	1.54%
Ratio of operating expenses to average net assets attributable to common shares:					
before fee reductions	1.44%(c)	1.36%(c)	1.37%	1.40%	1.48%
net of fee reductions, if any	1.44%(c)	1.25%(c)	1.33%	1.40%	1.48%
Ratio of operating expenses to average net assets including liquidation value of preferred shares:					
before fee reductions	1.10%(c)	1.10%(c)	1.10%	1.10%	1.12%
net of fee reductions, if any	1.10%(c)	1.01%(c)	1.07%	1.10%	1.12%
Portfolio turnover rate	12.7%	8.9%	10.9%	10.0%	4.2%

The Gabelli Equity Trust Inc.
Financial Highlights (Continued)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Cumulative Preferred Stock:					
Auction Rate Series C					
Liquidation value, end of year (in 000's)	$ 72,000	$ 72,000	$ 72,000	$ 72,000	$ 72,000
Total shares outstanding (in 000's)	3	3	3	3	3
Liquidation preference per share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Liquidation value(d)	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Asset coverage per share(e)	$102,426	$118,593	$136,308	$128,106	$103,507
5.875% Series D					
Liquidation value, end of year (in 000's)	$ 59,097	$ 59,097	$ 59,097	$ 59,097	$ 59,097
Total shares outstanding (in 000's)	2,364	2,364	2,364	2,364	2,364
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average market value(f)	$ 26.22	$ 25.69	$ 25.21	$ 25.27	$ 25.75
Asset coverage per share(e)	$ 102.43	$ 118.59	$ 136.31	$ 128.11	$ 103.51
Auction Rate Series E					
Liquidation value, end of year (in 000's)	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000
Total shares outstanding (in 000's)	1	1	1	1	1
Liquidation preference per share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Liquidation value(d)	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Asset coverage per share(e)	$102,426	$118,593	$136,308	$128,106	$103,507
5.000% Series G					
Liquidation value, end of year (in 000's)	$ 69,743	$ 69,925	$ 70,099	$ 70,373	$ 70,413
Total shares outstanding (in 000's)	2,791	2,797	2,804	2,815	2,817
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average market value(f)	$ 24.67	$ 23.78	$ 23.32	$ 23.91	$ 26.01
Asset coverage per share(e)	$ 102.43	$ 118.59	$ 136.31	$ 128.11	$ 103.51
5.000% Series H					
Liquidation value, end of year (in 000's)	$104,494	$104,644	$104,674	$104,757	$105,000
Total shares outstanding (in 000's)	4,180	4,186	4,187	4,190	4,200
Liquidation preference per share	$ 25.00	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Average market value(f)	$ 25.00	$ 24.33	$ 22.82	$ 23.85	$ 25.55
Asset coverage per share(e)	$ 102.43	$ 118.59	$ 136.31	$ 128.11	$ 103.51
5.450% Series J					
Liquidation value, end of period (in 000's)	$ 80,000	—	—	—	—
Total shares outstanding (in 000's)	3,200	—	—	—	—
Liquidation preference per share	$ 25.00	—	—	—	—
Average market value(f)	$ 25.43	—	—	—	—
Asset coverage per share(e)	$ 102.43	—	—	—	—
Asset Coverage(g)	410%	474%	545%	512%	414%

† For years ended December 31, 2016, 2015, 2014, and 2013 based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend date. The year ended 2012 was based on net asset value per share, adjusted for reinvestment of distributions at prices obtained under the Fund's dividend reinvestment plan.
†† Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.
(a) Calculated based upon average common shares outstanding on the record dates throughout the years.
(b) Amount represents less than $0.005 per share.
(c) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2016 and 2015, there was no impact on the expense ratios.
(d) Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auction.
(e) Asset coverage per share is calculated by combining all series of preferred stock.
(f) Based on weekly prices.
(g) Asset coverage is calculated by combining all series of preferred stock.

MANAGEMENT OF THE FUND

Directors and Officers

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and Officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and officers and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Equity Trust Inc. at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Number of Funds in Fund Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director[3]
INTERESTED DIRECTORS[4]:				
Mario J. Gabelli, CFA Chairman and Chief Investment Officer Age: 79	Since 1986*	31	Chairman, Chief Executive Officer, and Chief Investment Officer– Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management, Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications) (2013-2018)
Agnes Mullady Director Age: 63	Since 2021***	11	Senior Vice President of GAMCO Investors, Inc. (2008 - 2019); Executive Vice President of Associated Capital Group, Inc. (November 2016 - 2019); President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC (2010 - 2019); Vice President of Gabelli Funds, LLC (2006 - 2019); Chief Executive Officer of G.distributors, LLC (2011 - 2019); and an officer of all of the Gabelli/GAMCO/Teton Funds (2006 - 2019)	—
INDEPENDENT DIRECTORS[5]:				
Elizabeth C. Bogan Director Age: 77	Since 2021***	12	Senior Lecturer in Economics at Princeton University	—
James P. Conn[6] Director Age: 83	Since 1989***	23	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings, Ltd. (1992-1998	—

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Number of Funds in Fund Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director[3]
Frank J. Fahrenkopf, Jr. Director Age: 82	Since 1998**	12	Co-Chairman of the Commission on Presidential Debates; Former President and Chief Executive Officer of the American Gaming Association (1995-2013); Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking); Director of Eldorado Resorts, Inc. (casino entertainment company)
Michael J. Ferrantino[7] Director Age: 50	Since 2017***	4	Chief Executive Officer of InterEx Inc.	President, CEO, and Director of LGL Group; Director of LGL Systems Acquisition Corp. (Aerospace and Defense Communications)
Leslie F. Foley Director Age: 53	Since 2017***	13	Attorney; Serves on the Board of the Addison Gallery of American Art at Phillips Academy Andover; Vice President, Global Ethics & Compliance and Associate General Counsel for News Corporation (2008-2010)	—
William F. Heitmann Director Age: 72	Since 2012*	4	Managing Director and Senior Advisor of Perlmutter Investment Company (real estate); Senior Vice President of Finance, Verizon Communications, and President, Verizon Investment Management (1971-2011)	Director and Audit Committee Chair of Syncreon (contract logistics provider) (2011-2019)
Kuni Nakamura[6] Director Age: 53	Since 2018**	34	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate); Trustee on Long Island University Board of Trustees	—
Salvatore J. Zizza[8] Director Age: 76	Since 1986**	32	President, Zizza & Associates Corp. (private holding company); Chairman of Bergen Cove Realty Inc. (residential real estate)	Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals) (2009-2018); Retired Chairman of BAM (semiconductor and aerospace manufacturing)

Name, Position(s) Address[1] and Age	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President Age: 70	Since 1988	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Vice President – Mutual Funds, G.research, LLC
John C. Ball Treasurer Age: 45	Since 2017	Treasurer of registered investment companies within the Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Chief Executive Officer, G.distributors, LLC since December 2020
Peter Goldstein Secretary and Vice President Age: 68	Since 2020	General Counsel, Gabelli Funds, LLC since July 2020; General Counsel and Chief Compliance Officer, Buckingham Capital Management, Inc. (2012-2020); Chief Legal Officer and Chief Compliance Officer, The Buckingham Research Group, Inc. (2012-2020)
Richard J. Walz Chief Compliance officer Age: 62	Since 2013	Chief Compliance Officer of registered investment companies within the Fund Complex since 2013; Chief Compliance Officer for Gabelli Funds, LLC since 2015
Molly A.F. Marion Vice President and Ombudsman Age: 67	Since 2009	Vice President and/or Ombudsman of closed-end funds within the Fund Complex; Vice President of GAMCO Investors, Inc. since 2012
Carter W. Austin Vice President Age: 55	Since 2000	Vice President and/or Ombudsman of closed-end funds within the Fund Complex; Senior Vice President (since 2015) and Vice President (1996-2015) of Gabelli Funds, LLC
Daniel Plourde Vice President Age: 41	Since 2021	Vice President of registered investment companies within the Fund Complex since 2021; Assistant Treasurer of the North American SPDR ETFs and State Street Global Advisors Mutual Funds (2017-2021); Fund Administration at State Street Bank (2009-2017)
David I. Schachter Vice President Age: 68	Since 2013	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1999-2015) of G.research, LLC

[1] Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

[2] The Fund's Board of Directors is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

* Term expires at the Fund's 2022 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** Term expires at the Fund's 2023 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*** Term expires at the Fund's 2024 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

[3] This column includes directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act, and other noteworthy directorships.

[4] "Interested person" of the Fund, as defined in the 1940 Act. Mr. Gabelli and Ms. Agnes Mullady are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC, which acts as the Fund's investment adviser.

[5] Directors who are not interested persons are considered "Independent" Directors.

[6] This Director is elected solely by and represents the stockholders of the preferred stock issued by the Fund.

[7] Mr. Ferrantino is the President, CEO and a Director of the LGL Group, Inc. and a Director of LGL Systems Acquisition Corp., which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Fund's Adviser.

[8] Mr. Zizza is an independent director of Gabelli International Ltd., which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and in that event would be deemed to be under common control with the Fund's Adviser. On September 9, 2015, Mr. Zizza entered into a settlement with the SEC to resolve an inquiry relating to an alleged violation regarding the making of false statements or omissions to the accountants of a company concerning a related party transaction. The company in question is not an affiliate of, nor has any connection to, the Fund. Under the terms of the settlement, Mr. Zizza, without admitting or denying the SEC's findings and allegation, paid $150,000 and agreed to cease and desist committing or causing any future violations of Rule 13b2-2 of the Securities Exchange Act of 1934, as amended. The Board has discussed this matter and has determined that it does not disqualify Mr. Zizza from serving as an independent director.

THE GABELLI EQUITY TRUST INC.
INCOME TAX INFORMATION (Unaudited)
December 31, 2021

Cash Dividends and Distributions

	Payable Date	Record Date	Ordinary Investment Income (a)	Long Term Capital Gains	Return of Capital (b)	Total Amount Paid Per Share (c)	Dividend Reinvestment Price
Common Stock							
	03/24/21	03/17/21	$0.01340	$0.09490	$0.04170	$0.15000	$6.37450
	06/23/21	06/16/21	0.01340	0.09490	0.04170	0.15000	6.68800
	09/23/21	09/16/21	0.01340	0.09490	0.04170	0.15000	6.43000
	12/17/21	12/10/21	0.01610	0.11390	0.05000	0.18000	6.77350
			$0.05630	$0.39860	$0.17510	$0.63000	
Series G Cumulative Preferred Stock							
	03/26/21	03/19/21	$0.0387000	$0.2738000	—	$0.3125000	
	06/28/21	06/21/21	0.0387000	0.2738000	—	0.3125000	
	09/27/21	09/20/21	0.0387000	0.2738000	—	0.3125000	
	12/27/21	12/17/21	0.0387000	0.2738000	—	0.3125000	
			$0.1548000	$1.0952000	—	$1.2500000	
5.000% Series H Cumulative Preferred Stock							
	03/26/21	03/19/21	$0.0387000	$0.2738000	—	$0.3125000	
	06/28/21	06/21/21	0.0387000	0.2738000	—	0.3125000	
	09/27/21	09/20/21	0.0387000	0.2738000	—	0.3125000	
	12/27/21	12/17/21	0.0387000	0.2738000	—	0.3125000	
			$0.1548000	$1.0952000	—	$1.2500000	
5.450% Series J Cumulative Preferred Stock							
	03/26/21	03/19/21	$0.0422358	$0.2983892	—	$0.3406250	
	06/28/21	06/21/21	0.0422358	0.2983892	—	0.3406250	
	09/27/21	09/20/21	0.0422358	0.2983892	—	0.3406250	
	12/27/21	12/17/21	0.0422358	0.2983892	—	0.3406250	
			$0.1689432	$1.1935568	—	$1.3625000	
5.00% Series K Cumulative Preferred Stock							
	03/26/21	03/19/21	$0.0387000	$0.2738000	—	$0.3125000	
	06/28/21	06/21/21	0.0387000	0.2738000	—	0.3125000	
	09/27/21	09/20/21	0.0387000	0.2738000	—	0.3125000	
	12/27/21	12/17/21	0.0387000	0.2738000	—	0.3125000	
			$0.1548000	$1.0952000	—	$1.2500000	

A Form 1099-DIV has been mailed to all shareholders of record which sets forth specific amounts to be included in the 2021 tax returns. Ordinary income distributions include net investment income and realized net short term capital gains, if any. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV. The long term gain distributions for the year ended December 31, 2021 were $126,313,000.

Auction Rate Series C and E Cumulative Preferred Stock

Auction Rate Preferred Stocks pay dividends weekly based on the maximum rate. The distributions derived from long term capital gains for the Auction Rate Series C and Series E Cumulative Preferred Stock were $64,264 and $29,439, respectively.

Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income

In 2021, the Fund paid to common, Series G Cumulative Preferred, 5.000% Series H Cumulative Preferred, 5.450% Series J Cumulative Preferred, and 5.000% Series K Cumulative Preferred shareholders ordinary income dividends totaling $0.05630, $0.15480, $0.15480, $0.16894, and $0.1548 per share, respectively. The Fund paid weekly distributions to auction rate Series C and Series E preferred shareholders at varying rates throughout the year, including an ordinary income dividend totaling $3.68265 and $3.79425 per share, respectively, in 2021. For the year ended December 31, 2021, 100% of the ordinary income dividend qualified for the dividend received deduction available to corporations, 100% of the ordinary income distribution was deemed qualified dividend income and is reported in box 1b on Form 1099-DIV, 0.20% the ordinary income distribution was qualified interest income, and 100% of the ordinary income distribution was qualified short term capital gain. The percentage of the ordinary income dividends paid by the Fund during 2021 derived from U.S. Government securities was 0.08%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2021. The percentage of U.S. Government securities held as of December 31, 2021 was 5.05% total investments.

THE GABELLI EQUITY TRUST INC.
INCOME TAX INFORMATION (Unaudited) (Continued)
December 31, 2021

Historical Distribution Summary

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Return of Capital (b)	Total Distributions (c)	Adjustment to Cost Basis (d)
Common Shares						
2021 (e)	$0.03440	$0.02190	$0.39860	$0.17510	$0.63000	$0.17390
2020	0.03600	–	0.29400	0.27000	0.60000	0.27000
2019	0.05160	0.00320	0.49200	0.05320	0.60000	0.05320
2018	0.05980	0.00250	0.54180	0.03590	0.64000	0.03590
2017 (f)	0.03700	–	0.56850	0.00450	0.61000	0.00450
2016	0.06280	0.00960	0.52320	0.00440	0.60000	0.00440
2015	0.05210	0.01020	0.43270	0.14500	0.64000	0.14500
2014 (g)	0.04848	0.01772	0.47238	0.10143	0.64000	0.10143
2013	0.05000	0.06250	0.50750	–	0.62000	–
2012 (h)	0.05800	0.10800	–	0.39400	0.56000	0.39400
5.875% Series D Cumulative Preferred Stock						
2019	$0.13894	$0.00836	$1.32145	–	$1.46875	–
2018	0.14561	0.00583	1.31731	–	1.46875	–
2017	0.09005	–	1.37870	–	1.46875	–
2016	0.15523	0.02360	1.28992	–	1.46875	–
2015	0.15444	0.03023	1.28409	–	1.46876	–
2014	0.13222	0.04831	1.28822	–	1.46875	–
2013	0.11822	0.14819	1.20234	–	1.46875	–
2012	0.51428	0.95447	–	–	1.46875	–
Series G Cumulative Preferred Stock						
2021	$0.09440	$0.06040	$1.09520	–	$1.25000	–
2020	0.13560	–	1.11440	–	1.25000	–
2019	0.11840	0.00720	1.12440	–	1.25000	–
2018	0.12400	0.00480	1.12120	–	1.25000	–
2017	0.07680	–	1.17320	–	1.25000	–
2016	0.13200	0.02000	1.09800	–	1.25000	–
2015	0.13160	0.25600	1.92800	–	1.25000	–
2014	0.11240	0.41200	1.09640	–	1.25000	–
2013	0.11270	0.14110	1.14550	–	1.39930	–
2012	0.21155	0.39262	–	–	0.60417	–
5.000% Series H Cumulative Preferred Stock						
2021	$0.09440	$0.06040	$1.09520	–	$1.25000	–
2020	0.13560	–	1.11440	–	1.25000	–
2019	0.11840	0.00720	1.12440	–	1.25000	–
2018	0.12400	0.00480	1.12120	–	1.25000	–
2017	0.07680	–	1.17320	–	1.25000	–
2016	0.13200	0.02000	1.09800	–	1.25000	–
2015	0.13160	0.02560	1.09280	–	1.25000	–
2014	0.11240	0.04120	1.09640	–	1.25000	–
2013	0.10080	0.12600	1.02320	–	1.25000	–
2012	0.10700	0.19860	–	–	0.30560	–

Historical Distribution Summary

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Return of Capital (b)	Total Distributions (c)	Adjustment to Cost Basis (d)
5.450% Series J Cumulative Preferred Stock						
2021	$0.10301	$0.06593	$1.19356	–	$1.36250	–
2020	0.14800	–	1.21450	–	1.36250	–
2019	0.12889	0.00776	1.22585	–	1.36250	–
2018	0.13507	0.00541	1.22202	–	1.36250	–
2017	0.08353	–	1.27897	–	1.36250	–
2016	0.10640	0.01618	0.88416	–	1.00674	–
5.000% Series K Cumulative Preferred Stock						
2021	$0.09440	$0.06040	$1.09520	–	$1.25000	–
2020	0.13955	–	1.14517	–	1.28472	–
2019 (i)	–	–	–	–	–	–
Auction Rate Series C Cumulative Preferred Stock						
2021	$2.24552	$1.43713	$26.01735	–	$29.70000	–
2020	19.12291	–	156.92709	–	176.05000	–
2019	89.98036	5.41380	855.76584	–	951.16000	–
2018	81.98543	3.28450	741.73007	–	827.00000	–
2017	27.23682	–	417.02318	–	444.26000	–
2016	18.45541	2.80628	153.35831	–	174.62000	–
2015	4.58660	0.89764	38.13575	–	43.61999	–
2014	2.81131	1.02727	27.39142	–	31.23000	–
2013	2.49523	3.12766	25.37712	–	31.00000	–
2012	13.04312	24.20688	–	–	37.25000	–
Auction Rate Series E Cumulative Preferred Stock						
2021	$2.31357	$1.48068	$26.80575	–	$30.60000	–
2020	18.63302	–	152.90698	–	171.54000	–
2019	89.89238	5.40851	854.92911	–	950.23000	–
2018	80.13754	3.21047	725.01199	–	808.36000	–
2017	27.45447	–	420.35553	–	808.36000	–
2016	18.51566	2.81544	153.85890	–	175.19000	–
2015	4.84737	0.94868	40.30395	–	46.10000	–
2014	2.68709	0.98187	26.18104	–	29.85000	–
2013	2.56686	3.21745	26.10568	–	31.89000	–
2012	12.47587	23.15413	–	–	35.63000	–

(a) Taxable as ordinary income for Federal tax purposes.
(b) Non-taxable.
(c) Total amounts may differ due to rounding.
(d) Decrease in cost basis.

(e) On July 21, 2021, the Fund also distributed Rights equivalent to $0.16 per common share based upon full subscription of all issued shares.
(f) On November 6, 2017, the Fund also distributed Rights equivalent to $0.14 per common share based upon full subscription of all issued shares.
(g) On September 19, 2014, the Fund also distributed Rights equivalent to $0.12 per common share based upon full subscription of all issued shares.
(h) On June 29, 2012, the Fund also distributed Rights equivalent to $0.12 per common share based upon full subscription of all issued shares.
(i) Series K did not make a distribution in 2019.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

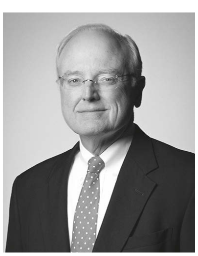
THE GABELLI EQUITY TRUST INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

Kevin V. Dreyer joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA degree from Columbia Business School.



Howard F. Ward, CFA, joined Gabelli Funds in 1995 and currently serves as GAMCO's Chief Investment Officer of Growth Equities as well as a Gabelli Funds, LLC portfolio manager for several funds within the Fund Complex. Prior to joining Gabelli, Mr. Ward served as Managing Director and Lead Portfolio Manager for several Scudder mutual funds. He also was an Investment Officer in the Institutional Investment Department with Brown Brothers, Harriman & Co. Mr. Ward received his BA in Economics from Northwestern University.

Robert D. Leininger, CFA, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA degree from the Wharton School at the University of Pennsylvania.

Daniel M. Miller currently serves as a portfolio manager of Gabelli Funds, LLC and is also a Managing Director of GAMCO Investors, Inc. Mr. Miller joined the Firm in 2002 and graduated magna cum laude with a degree in Finance from the University of Miami in Coral Gables, Florida.

Jennie Tsai joined Gabelli in 2001 as a research analyst responsible for the healthcare and medical products industries. At Gabelli, Ms. Tsai is focused on medical sectors, including dental, orthopedics, diagnostics, dermatology, and ophthalmology. She received a BS in Commerce at the University of Virginia and an MBA degree from Columbia Business School.

Ian Lapey joined Gabelli in October 2018 as a portfolio manager. Prior to joining Gabelli, Mr. Lapey was a research analyst and partner at Moerus Capital Management LLC. Prior to joining Moerus, he was a partner, research analyst, and a portfolio manager at Third Avenue Management. Mr. Lapey holds an MBA degree in Finance and Statistics from the Stern School of Business at New York University. He also holds a Master's degree in Accounting from Northeastern University and a BA in Economics from Williams College.

Ashish Sinha joined GAMCO UK in 2012 as a research analyst. Prior to joining the Firm, Mr. Sinha was a research analyst at Morgan Stanley in London for seven years and has covered European Technology, Mid-Caps and Business Services. He also worked in planning and strategy at Birla Sun Life Insurance in India. Currently Mr. Sinha is a portfolio manager of Gabelli Funds, LLC and an Assistant Vice President of GAMCO Asset Management UK. Mr. Sinha has a BSBA degree from the Institute of Management Studies and an MB from IIFT.

Gustavo Pifano joined the Firm in 2008 and is based in London. He serves as an assistant vice president of research and covers the industrial and consumer sectors with a focus on small-cap stocks. Gustavo is a member of the risk management group and responsible for the Firm's UK compliance oversight and AML reporting functions. Gustavo holds a BBA in Finance from University of Miami and an MBA degree from University of Oxford Said Business School.

Hendi Susanto joined Gabelli in 2007 as the lead technology research analyst. He spent his early career in supply chain management consulting and operations in the technology industry. He currently is a portfolio manager of Gabelli Funds, LLC and a Vice President of Associated Capital Group Inc. Mr. Susanto received a BS degree summa cum laude from the University of Minnesota, an MS from Massachusetts Institute of Technology, and an MBA degree from the Wharton School of Business.

Sara E. Wojda joined the Firm in 2014 as a research analyst and covers the Diagnostics and Life Sciences industries. Since moving to London in 2018, she has expanded the Firm's global healthcare coverage and assisted with Gabelli's UK based funds. Sara graduated summa cum laude from Babson College with a BS in Business Management, double majoring in Economics and Accounting.

Joseph Gabelli rejoined GAMCO Investors, Inc. in 2018 after serving as a data strategy consultant for Alt/S, an early stage Boston based healthcare, media and marketing analytics firm, beginning in July 2017. From 2008 until June 2017, Joseph served as an equity research analyst covering the global food and beverage industry for GAMCO Investors, Inc. and its affiliate, Associated Capital Group. He began his investment career at Integrity Capital Management, a Boston-based equity hedge fund, where he focused on researching small and micro-cap companies in the technology, healthcare and consumer discretionary sectors. Joseph holds a BA from Boston College and an MBA degree from Columbia Business School, where he graduated with Dean's Honors and Distinction.

Gordon Grender joined GAMCO UK in 2020 as a portfolio manager. Prior to joining the Firm, Mr. Grender served as the portfolio manager for a U.S. equity fund at GAM International Ltd.

Macrae (Mac) Sykes joined the firm in 2008 as an analyst focused on financial services. He was ranked #1 investment services analyst by the Wall Street Journal in 2010, was a runner-up in the annual StarMine analyst awards for stock picking in 2014 and 2018, and received several honorable mentions for coverage of brokers and asset managers from Institutional Investor. In 2018, Mac was a contributing author to The Warren Buffet Shareholder: Stories from inside the Berkshire Hathaway Annual Meeting edited by Lawrence Cunningham and Stephen Cuba. Mac holds a BA in economics from Hamilton College and an MBA degree in finance from Columbia Business School.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the contents of the portfolio managers' commentary are unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "General Equity Funds," 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 per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

The NASDAQ symbol for the Net Asset Value is "XGABX."

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

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December 31, 2021