

GABELLI EQUITY TRUST INC
Form DEF 14A
March 31, 2015

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No.)

Filed by Registrant x

Filed by a Party other than the Registrant "

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Sec. 240.14a-12

The Gabelli Equity Trust Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

.. Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

THE GABELLI EQUITY TRUST INC.

One Corporate Center

Rye, New York 10580-1422

(914) 921-5070

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 11, 2015

To the Stockholders of

THE GABELLI EQUITY TRUST INC.

Notice is hereby given that the Annual Meeting of Stockholders of The Gabelli Equity Trust Inc., a Maryland corporation (the "Fund"), will be held on Monday, May 11, 2015, at 9:00 a.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the "Meeting"), and at any adjournments or postponements thereof for the following purposes:

To elect two (2) Directors of the Fund, one (1) Director to be elected by the holders of the Fund's Common Stock and holders of its Series C Auction Rate Cumulative Preferred Stock, 5.875% Series D Cumulative Preferred Stock, 1. Series E Auction Rate Cumulative Preferred Stock, 5.00% Series G Cumulative Preferred Stock, and 5.00% Series H Cumulative Preferred Stock (together, the "Preferred Stock"), voting together as a single class, and one (1) Director to be elected by the holders of the Fund's Preferred Stock, voting as a separate class; and

2. To consider and vote upon such other matters, including adjournments, as may properly come before said Meeting or any adjournments thereof.

These items are discussed in greater detail in the attached Proxy Statement.

The close of business on March 16, 2015 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE SIZE OF YOUR HOLDINGS IN THE FUND. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE ASK THAT YOU PLEASE VOTE PROMPTLY. STOCKHOLDERS MAY AUTHORIZE THEIR PROXY BY TELEPHONE OR THE INTERNET. ALTERNATIVELY, STOCKHOLDERS MAY SUBMIT VOTING INSTRUCTIONS BY SIGNING AND DATING THE PROXY CARD AND RETURNING IT IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

By Order of the Board of Directors,

ANDREA R. MANGO

Secretary

April 1, 2015

INSTRUCTIONS FOR SIGNING PROXY CARDS TO BE RETURNED BY MAIL

The following general rules for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund involved in validating your vote if you fail to sign your proxy card properly.

1. *Individual Accounts:* Sign your name exactly as it appears in the registration on the proxy card.
2. *Joint Accounts:* Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration.
3. *All Other Accounts:* The capacity of the individuals signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

Registration

Valid Signature

Corporate Accounts

- | | |
|--|--------------------------------|
| (1) ABC Corp. | ABC Corp., John Doe, Treasurer |
| (2) ABC Corp. | John Doe, Treasurer |
| (3) ABC Corp.
c/o John Doe, Treasurer | John Doe |
| (4) ABC Corp., Profit Sharing Plan | John Doe, Trustee |

Trust Accounts

- | | |
|--|----------------------|
| (1) ABC Trust | Jane B. Doe, Trustee |
| (2) Jane B. Doe, Trustee
u/t/d 12/28/78 | Jane B. Doe |

Custodian or Estate Accounts

- | | |
|---|-------------------------|
| (1) John B. Smith, Cust.
f/b/o John B. Smith, Jr. UGMA | John B. Smith |
| (2) John B. Smith, Executor
Estate of Jane Smith | John B. Smith, Executor |

INSTRUCTIONS FOR TELEPHONE/INTERNET VOTING

Instructions for authorizing your proxy to vote your shares by telephone or Internet are included with the Notice of Internet Availability of Proxy Materials and the proxy card.

THE GABELLI EQUITY TRUST INC.

ANNUAL MEETING OF STOCKHOLDERS

May 11, 2015

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board,” the members of which are referred to as “Directors”) of The Gabelli Equity Trust Inc., a Maryland corporation (the “Fund”), for use at the Annual Meeting of Stockholders of the Fund to be held on Monday, May 11, 2015, at 9:00 a.m., local time, at The Cole Auditorium, The Greenwich Library, 101 West Putnam Avenue, Greenwich, Connecticut 06830 (the “Meeting”), and at any adjournments or postponements thereof. A Notice of Internet Availability of Proxy Materials will first be mailed to stockholders on or about April 1, 2015.

In addition to the solicitation of proxies by mail, officers of the Fund and officers and regular employees of Computershare Trust Company, N.A. (“Computershare”), the Fund’s transfer agent, and affiliates of Computershare or other representatives of the Fund may also solicit proxies by telephone, Internet, or in person. In addition, the Fund has retained Morrow & Co., LLC to assist in the solicitation of proxies for an estimated fee of \$1,000 plus reimbursement of expenses. The Fund will pay the costs of the proxy solicitation and the expenses incurred in connection with preparing, printing, and mailing the Notice of Internet Availability of Proxy Materials and/or Proxy Statement and its enclosures. If requested, the Fund will also reimburse brokerage firms and others for their expenses in forwarding solicitation materials to the beneficial owners of its shares.

The Fund’s most recent annual report, including audited financial statements for the fiscal year ended December 31, 2014, is available upon request, without charge, by writing to the Secretary of the Fund, One Corporate Center, Rye, New York 10580-1422, by calling the Fund at 800-422-3554, or via the Internet at www.gabelli.com.

If the proxy is properly executed and returned in time to be voted at the Meeting, the shares represented thereby will be voted "FOR" the election of the nominees as Directors as described in this Proxy Statement, unless instructions to the contrary are marked thereon, and at the discretion of the proxy holders as to the transaction of any other business that may properly come before the Meeting. Any stockholder who has submitted a proxy has the right to revoke it at any time prior to its exercise either by attending the Meeting and voting his or her shares in person, or by submitting a letter of revocation, or a later dated proxy to the Fund at the above address prior to the date of the Meeting.

A "quorum" is required in order to transact business at the Meeting. A quorum of stockholders is constituted by the presence in person or by proxy of the holders of a majority of the outstanding shares of the Fund entitled to vote at the Meeting. In the event a quorum is not present at the Meeting, or in the event that a quorum is present at the Meeting but sufficient votes to approve any of the proposed items are not received, the Meeting may be adjourned by an individual appointed by the Board to be the chairperson of the Meeting (or in their absence, a person designated pursuant to the By-Laws to act as chairperson of the Meeting). Alternatively, the chairperson of the Meeting may, in their discretion, submit the question of adjournment to a vote of stockholders. Any such adjournment on which the stockholders vote will require the affirmative vote of a majority of those shares present at the Meeting in person or by proxy (or a majority of votes cast if a quorum is present). If a quorum is present, the persons named as proxies will vote those proxies which they are entitled to vote "FOR" any proposal in favor of such adjournment and will vote those proxies required to be voted "AGAINST" any proposal against any such adjournment. If a quorum is present, a stockholder vote may be taken on one or more of the proposals in this Proxy Statement prior to such adjournment if sufficient votes have been received for approval and it is otherwise appropriate. The chairperson of the Meeting may adjourn any meeting of stockholders from time to time to a date not more than 120 days after the

original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the Meeting as originally notified. The Fund may set a subsequent record date and give notice of it to stockholders, in which case the meeting may be held not more than 120 days beyond the subsequent record date. The Fund may postpone or cancel a meeting of stockholders by making a public announcement (as defined in the By-Laws) of such postponement or cancellation prior to the meeting. Notice of the date, time, and place to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner set forth in the ByLaws.

The close of business on March 16, 2015 has been fixed as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting and all adjournments thereof.

The Fund has two classes of capital stock outstanding: common stock, par value \$0.001 per share (the “Common Stock”), and preferred stock consisting of (i) Series C Auction Rate Cumulative Preferred Stock (“Series C Preferred”), (ii) 5.875% Series D Cumulative Preferred Stock (“Series D Preferred”), (iii) Series E Auction Rate Cumulative Preferred Stock (“Series E Preferred”), (iv) 5.00% Series G Cumulative Preferred Stock (“Series G Preferred”), and (v) 5.00% Series H Cumulative Preferred Stock (“Series H Preferred”), each having a par value of \$0.001 per share (together, the “Preferred Stock”). The holders of the Common Stock and Preferred Stock are each entitled to one vote for each full share held. On the record date, there were 219,244,891 shares of Common Stock, 72,000,000 shares of Series C Preferred, 2,363,860 shares of Series D Preferred, 28,000,000 shares of Series E Preferred, 2,798,501 shares of Series G Preferred, and 4,186,973 shares of Series H Preferred outstanding.

Set forth below is information as to those stockholders known by the Fund to own of record or beneficially 5% or more of a class of the Fund’s outstanding voting securities as of the record date.

<u>Name and Address of Beneficial Owner(s)</u>	<u>Title of Class</u>	<u>Amount of Shares and Nature of Ownership</u>	<u>Percent of Class</u>
Shaker Financial Services, LLC 839 Bestgate Road, Suite 400 Annapolis, MD 21401	Series G Preferred	195,914	7.0%

As of the record date, there were no persons known to the Fund to be beneficial owners of more than 5% of the Fund’s outstanding Common Stock or other series of Preferred Stock.

SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

<u>Proposal</u>	<u>Common Stockholders</u>	<u>Preferred Stockholders</u>
Election of Directors	Common and Preferred Stockholders, voting together as a single class, vote to elect one Director: Anthony R. Pustorino	Common and Preferred Stockholders, voting together as a single class, vote to elect one Director: Anthony R. Pustorino Preferred Stockholders, voting as a separate class, vote to elect one Director: James P. Conn
Other Business	Common and Preferred Stockholders, voting together as a single class	

PROPOSAL: TO ELECT TWO (2) DIRECTORS OF THE FUND

Nominees for the Board of Directors

The Board of Directors consists of eight Directors, seven of whom are not “interested persons” of the Fund (as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund divides the Board into three classes, each class having a term of three years. Each year, the term of office of one class will expire. James P. Conn and Anthony R. Pustorino have each been nominated by the Board for election to serve for a three year term to expire at the Fund’s 2018 Annual Meeting of Stockholders and until their successors are duly elected and qualify. Each of the Directors of the Fund has served in that capacity since the July 14, 1986 organizational meeting of the Fund with the exception of Mr. Conn, who became a Director of the Fund on May 15, 1989, Mr. Fahrenkopf, who became a Director of the Fund on May 11, 1998, Mr. Colavita, who became a Director of the Fund on November 17, 1999, Mr. Ferrara, who became a Director of the Fund on August 15, 2001, and Mr. Heitmann, who became a Director of the Fund on August 15, 2012. All of the Directors of the Fund are also directors or trustees of other investment companies for which Gabelli Funds, LLC (the “Adviser”) or its affiliates serve as investment adviser. The classes of Directors are indicated below:

Nominees to Serve Until 2018 Annual Meeting of Stockholders

James P. Conn

Anthony R. Pustorino

Directors Serving Until 2017 Annual Meeting of Stockholders

Anthony J. Colavita

Frank J. Fahrenkopf, Jr.

Salvatore J. Zizza

Directors Serving Until 2016 Annual Meeting of Stockholders

Mario J. Gabelli, CFA

Arthur V. Ferrara

William F. Heitmann

Under the Fund's Articles of Incorporation, Articles Supplementary, and the 1940 Act, holders of the Fund's outstanding Preferred Stock, voting as a separate class, are entitled to elect two Directors, and holders of the Fund's outstanding Common Stock and Preferred Stock, voting together as a single class, are entitled to elect the remaining Directors. The holders of the Fund's outstanding Preferred Stock would be entitled to elect the minimum number of additional Directors that would represent a majority of the Directors in the event that dividends on the Fund's Preferred Stock become in arrears for two full years, until all arrearages are eliminated. No dividend arrearages exist as of the date of this Proxy Statement. Messrs. Colavita and Conn are currently the Directors elected solely by the holders of the Fund's Preferred Stock. Mr. Colavita's term as Director is scheduled to expire at the Fund's 2017 Annual Meeting of Stockholders, and therefore he is not standing for election at this meeting. A quorum of the Preferred Stockholders must be present in person or by proxy at the Meeting in order for the proposal to elect Mr. Conn to be considered.

Unless instructions are provided to the contrary, it is the intention of the persons named in the proxy to vote the proxy "FOR" the election of the nominees named above. Each nominee has indicated that he has consented to serve as a Director if elected at the Meeting. If, however, a designated nominee declines or otherwise becomes unavailable for election, the proxy confers discretionary power on the persons named therein to vote in favor of a substitute nominee or nominees.

Information about Directors and Officers

Set forth in the table below are the existing Directors, including those Directors who are not considered to be “interested persons,” as defined in the 1940 Act (the “Independent Directors”), two of whom are nominated for reelection to the Board of the Fund, and officers of the Fund, including information relating to their respective positions held with the Fund, a brief statement of their principal occupations and, in the case of the Directors, their other directorships during the past five years (excluding other funds managed by the Adviser), if any.

Name, Position(s), Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director During Past Five Years	Number of Portfolios to Fund Complex⁽³⁾ Overseen by Director
<u>INTERESTED DIRECTOR⁽⁴⁾:</u>				
Mario J. Gabelli, CFA Chairman and Chief Investment Officer Age: 72	Since 1986***	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 in the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, 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); Director of RLJ Acquisition, Inc. (blank check company) (2011-2012)	28

INDEPENDENT DIRECTORS/NOMINEES⁽⁵⁾:

Anthony J. Colavita⁽⁶⁾⁽⁷⁾ Director	Since 1999**	President of the law firm of Anthony J. Colavita, P.C.	—	37
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Age: 79

James P. Conn ⁽⁶⁾ Director Age: 77	Since 1989*	Former Managing Director and— Chief Investment Officer of Financial Security Assurance Holdings, Ltd. (1992-1998)	21
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Frank J. Fahrenkopf, Jr. Director Age: 75	Since 1998**	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) 8
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Arthur V. Ferrara Director Age: 84	Since 2001***	Former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America (1993-1995)	8
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William F. Heitmann ⁽⁷⁾ Director Age: 66	Since 2012***	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 DRS Technologies (defense electronic systems) 3
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Anthony R. Pustorino Director Age: 89	Since 1986*	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing) (2004-2011) 13
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Name, Position(s), Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽²⁾	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director During Past Five Years	Number of Portfolios to Fund Complex⁽³⁾ Overseen by Director
Salvatore J. Zizza⁽⁷⁾ Director Age: 69	Since 1986**	President of Zizza & Associates Corp. (financial consulting); Chairman of Harbor Diversified, Inc. (pharmaceuticals) Chairman of BAM (semiconductor and aerospace manufacturing); Chairman of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals); Director, Chairman, and CEO of General Employment Enterprises (staffing services) (2009-2012)	31

OFFICERS:

Name, Position(s), Address⁽¹⁾ and Age	Term of Office and Length of Time Served⁽⁸⁾	Principal Occupation(s) During Past Five Years
Bruce N. Alpert President Age: 63	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an Officer of registered investment companies in the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008; Director of Teton Advisors, Inc., 1998-2012; Chairman of Teton Advisors, Inc., 2008-2010; President of Teton Advisors, Inc., 1998-2008
Agnes Mullady Treasurer Age: 56	Since 2006	President and Chief Operating Officer of the Open-End Fund Division of Gabelli Funds, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Fund Complex
Andrea R. Mango Secretary and	Since 2013	Counsel of Gabelli Funds, LLC since 2013; Secretary of all registered investment companies within the Gabelli/GAMCO Fund Complex since 2013;

Vice President Age: 42	Vice President of all closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013; Vice President and Counsel of Deutsche Bank, 2006-2011
Richard J. Walz Chief Compliance Officer Age: 55	Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013; Chief Compliance Officer of Cutwater Asset Management, 2004-2011
Carter W. Austin Vice President Age: 48	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex since 2000; Vice President of Gabelli Funds, LLC since 1996
Molly A.F. Marion Vice President and Ombudsman Age: 61	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex since 2009; Vice President of GAMCO Investors, Inc. since 2012
David I. Schachter Vice President Age: 61	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex since 2013; Vice President of G.research, Inc. since 1999

(1) Address: One Corporate Center, Rye, NY 10580-1422.

(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.

(3) The "Fund Complex" or the "Gabelli/GAMCO Fund Complex" includes all the registered funds that are considered part of the same fund complex as the Fund because they have common or affiliated investment advisers.

"Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered to be an "interested person" of the Fund because of his affiliation with the Fund's Adviser and G.research, Inc., which executes portfolio transactions for the Fund.

Directors who are not considered to be "interested persons" of the Fund as defined in the 1940 Act are considered to be "Independent" Directors. None of the Independent Directors (with the possible exceptions as described in this proxy statement) nor their family members had any interest in the Adviser or any person directly or indirectly controlling, controlled by, or under common control with the Adviser as of December 31, 2014.

(6) As a Director, elected solely by holders of the Fund's Preferred Stock.

Mr. Colavita's son, Anthony S. Colavita, serves as a director of the GAMCO Mathers Fund and the Comstock Capital Value Fund, which are considered part of the same Fund Complex as the Fund because they have common or affiliated investment advisers. 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. Mr. Heitmann's son was a summer intern at GAMCO Investors, Inc., the parent company of the Adviser, from May 19, 2014, through June 27, 2014.

(8) 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 duly elected and qualifies.

* Nominee to serve, if elected, until the Fund's 2018 Annual Meeting of Stockholders and until his successor is duly elected and qualifies.

** Term continues until the Fund's 2017 Annual Meeting of Stockholders and until his successor is duly elected and qualifies.

*** Term continues until the Fund's 2016 Annual Meeting of Stockholders and until his successor is duly elected and qualifies.

The Board believes that each Director's experience, qualifications, attributes, or skills on an individual basis and in combination with those of other Directors lead to the conclusion that each Director should serve in such capacity. Among the attributes or skills common to all Directors are their ability to review critically and to evaluate, question, and discuss information provided to them, to interact effectively with the other Directors, the Adviser, the sub-administrator, other service providers, counsel, and the Fund's independent registered public accounting firm, and to exercise effective and independent business judgment in the performance of their duties as Directors. Each Director's ability to perform his/her duties effectively has been attained in large part through the Director's business, consulting, or public service positions and through experience from service as a member of the Board and one or more of the other funds in the Fund Complex, public companies, or non-profit entities, or other organizations as set forth above and below. Each Director's ability to perform his/her duties effectively also has been enhanced by education, professional training, and other experience.

Mario J. Gabelli, CFA. Mr. Gabelli is Chairman of the Board of Directors and Chief Investment Officer of the Fund. He also currently serves as Chairman of the boards of other funds in the Fund Complex. Mr. Gabelli is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. ("GBL"), a New York Stock Exchange ("NYSE")-listed asset manager and financial services company. He is also the Chief Investment Officer of Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management, Inc. (GAMCO), each of which are asset management subsidiaries of GBL. In addition, Mr. Gabelli is Chief Executive Officer, a director and the controlling shareholder of GGCP, Inc., a private company that holds a majority interest in GBL, and the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. Mr. Gabelli also sits on the boards of other publicly traded companies and private firms and various charitable foundations and educational institutions, including the Board of Trustees of Boston College, Roger Williams University, the Winston Churchill Foundation, and The E.L. Wiegand Foundation, and the Board of Overseers of Columbia University Graduate School of Business. Mr. Gabelli received his Bachelors degree from Fordham University, his Masters of Business Administration from Columbia University Graduate School of Business, and honorary Doctorates from Fordham University and Roger Williams University.

Anthony J. Colavita, Esq. Mr. Colavita is a practicing attorney with over fifty years of experience, including the field of business and financial law. He is the Chairman of the Fund's Nominating Committee and a member of the Fund's Audit Committee. Mr. Colavita also serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He served as a Commissioner of the New York State Thruway Authority and as a Commissioner of the New York State Bridge Authority, where his duties included reviewing financial documents of these agencies. He served for eleven years as the elected Supervisor of the Town of Eastchester, New York, responsible for ten annual municipal budgets of approximately eight million dollars each. Mr. Colavita also served as Special Counsel to the New York State Assembly for five years and as a Senior Attorney with the New York State Insurance Department. He is the former Chairman of the New York State Republican Party, the Westchester County Republican Party, and the Eastchester Republican Town Committee. Mr. Colavita received his Bachelor of Arts from Fairfield University and his Juris Doctor from Fordham University School of Law.

James P. Conn. Mr. Conn is the Lead Independent Director of the Fund, a member of the Fund's *ad hoc* Proxy Voting Committee, and also serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. He was a senior business executive of an insurance holding company for much of

his career, including service as Chief Investment Officer. Mr. Conn has been a director of several public companies in banking and other industries, and was lead Director and/or Chair of various committees. He received his Bachelor of Science in Business Administration from Santa Clara University.

Frank J. Fahrenkopf, Jr. Mr. Fahrenkopf is the former President and Chief Executive Officer of the American Gaming Association (“AGA”), the trade group for the hotel-casino industry. Mr. Fahrenkopf is a member of the Fund’s *ad hoc* Pricing Committee. Additionally, he serves on comparable or other board committees with respect to other funds in the Fund Complex. He is the Co-Chairman of the Commission on Presidential Debates, which is responsible for the widely-viewed Presidential debates during the quadrennial election cycle. Additionally, he serves as a board member of the International Republican Institute, which he founded in 1984. He served for many years as Chairman of the Pacific Democrat Union and Vice Chairman of the International Democrat Union, a worldwide association of political parties from the United States, Great Britain, France, Germany, Canada, Japan, Australia, and twenty other nations. Prior to becoming the AGA’s first chief executive in 1995, Mr. Fahrenkopf was a partner in the law firm of Hogan & Hartson, where he chaired the International Trade Practice Group and specialized in regulatory, legislative, and corporate matters for multinational,

foreign, and domestic clients. He also served as Chairman of the Republican National Committee for six years during Ronald Reagan's presidency. Mr. Fahrenkopf is the former Chairman of the Finance Committee of the Culinary Institute of America and remains a member of the board. Additionally, he has over twenty years of experience as a member of the board of directors of a bank and still serves as a member of the Advisory Board of the bank. Mr. Fahrenkopf received his Bachelor of Arts from the University of Nevada, Reno and his Juris Doctor from Boalt Hall School of Law, U.C. Berkeley.

Arthur V. Ferrara. Mr. Ferrara is the former Chairman of the Board and Chief Executive Officer of The Guardian Life Insurance Company of America, and formerly served on the boards of The Guardian Insurance and Annuity Company and funds managed by Guardian Investor Services Corporation. He is a former Chairman of the Life Insurance Council of New York Inc. Mr. Ferrara is also a member of the Fund's *ad hoc* Pricing Committee (described below under "Directors — Leadership Structure and Oversight Responsibilities"). Mr. Ferrara is a member of the Fund's Nominating and *ad hoc* Proxy Voting Committees and is a member of one of the multi-fund *ad hoc* Compensation Committees. He also serves on comparable or other board committees with respect to other funds in the Fund Complex on whose boards he sits. Mr. Ferrara received his Bachelor of Science in Business Administration from the College of the Holy Cross.

William F. Heitmann. Mr. Heitmann is a Managing Director and Senior Advisor of Perlmutter Investment Company, a private, institutional real estate investor and advisor. He previously served as Senior Vice President of Finance at Verizon Communications, Inc. As Senior Vice President of Finance, Mr. Heitmann was responsible for leading the Verizon Investment Management Corporation, for which he held the positions of President and Chief Investment Officer. During his career of over thirty-five years at Verizon Communications and its predecessor companies, he served as Senior Vice President and Treasurer of Verizon Communications, Vice President of Asset Management and Treasurer of Bell Atlantic Corporation, and Vice President of Merger Implementation during the Bell Atlantic-NYNEX merger. Additionally, he served as Chairman of the Board for Verizon Capital Corporation, Verizon Communications' financial subsidiary. In his leadership roles outside Verizon, Mr. Heitmann is a Director of DRS Technologies, a NYSE-listed company, and Syncreon, a private equity owned global logistics company, and chair of their audit committees. He also served as a Director of the Pension Real Estate Association (PREA); and a member of the Committee for the Investment of Employee Benefit Assets (CIEBA) and the Financial Executives Institute, The Pension Manager's Advisory Committee (PMAC) of the NYSE, and The Investment Committee of the Neurological Society. Mr. Heitmann also serves on the board of other funds in the Fund Complex. Mr. Heitmann received his Bachelor's degree in Mechanical Engineering from New Jersey Institute of Technology and his Masters of Business Administration from Rutgers University.

Anthony R. Pustorino. Mr. Pustorino is a Certified Public Accountant ("CPA") and Professor Emeritus of Pace University with over fifty years of experience in public accounting. Mr. Pustorino is Chairman of the Fund's Audit and *ad hoc* Proxy Voting Committees and has been designated the Fund's Audit Committee Financial Expert. He is a member of both multi-fund *ad hoc* Compensation Committees. He also serves on comparable or other board committees with respect to other funds in the Fund Complex. Mr. Pustorino was a Director of LGL Group, Inc., a diversified manufacturing company, and Chair of its Audit Committee. He was previously the President and shareholder of a CPA firm and a Professor of accounting at both Fordham University and Pace University. He served as Chairman of the Board of Directors of the New York State Board for Public Accountancy and of the CPA

Examination Review Board of the National Association of State Boards of Accountancy. Mr. Pustorino was Vice President and a member of the Executive Committee of the New York State Society of CPAs, and was the Chair or member of many of its technical committees. He was a member of the Council of the American Institute of CPAs. Mr. Pustorino is the recipient of numerous professional and teaching awards. He received a Bachelor of Science in Business from Fordham University and a Masters in Business Administration from New York University.

Salvatore J. Zizza. Mr. Zizza is the President of a financial consulting firm. He also serves as Chairman to other companies involved in manufacturing, technology, and pharmaceuticals. He is a member of the Fund's Audit, Nominating and *ad hoc* Pricing Committees, and a member of both multi-fund *ad hoc* Compensation Committees. In addition, he serves on comparable or other board committees, including as lead Independent Director/Trustee, with respect to other funds in the Fund Complex on whose boards he sits. In addition to serving on the boards of other funds within the Fund Complex, he is currently a director of three other public companies and previously served on the boards of several other public companies. He also served as the Chief Executive of a large NYSE-listed construction company. Mr. Zizza received his Bachelor of Arts and his Masters of Business Administration in Finance from St. John's University, which awarded him an Honorary Doctorate in Commercial Sciences.

Directors – Leadership Structure and Oversight Responsibilities

Overall responsibility for general oversight of the Fund rests with the Board. The Board has appointed Mr. Conn as the lead Independent Director. The lead Independent Director presides over executive sessions of the Directors and also serves between meetings of the Board as a liaison with service providers, officers, counsel, and other Directors on a wide variety of matters including scheduling agenda items for Board meetings. Designation as such does not impose on the lead Independent Director any obligations or standards greater than or different from other Directors. The Board has established a Nominating Committee and an Audit Committee to assist the Board in the oversight of the management and affairs of the Fund. The Board also has an *ad hoc* Proxy Voting Committee that exercises voting and investment responsibilities on behalf of the Fund in selected situations. From time to time the Board establishes additional committees or informal working groups, such as an *ad hoc* Pricing Committee related to securities offerings by the Fund to address specific matters, or assigns one of its members to work with trustees or directors of other funds in the Fund Complex on special committees or working groups that address complex-wide matters, such as the multi-fund *ad hoc* Compensation Committee relating to the compensation of the Chief Compliance Officer for all the funds in the Fund Complex, and a separate multi-fund *ad hoc* Compensation Committee relating to the compensation of certain other officers of the closed-end funds in the Fund Complex.

All of the Fund's Directors other than Mr. Mario J. Gabelli are Independent Directors, and the Board believes it is able to provide effective oversight of the Fund's service providers. In addition to providing feedback and direction during Board meetings, the Independent Directors meet regularly in executive session and chair all committees of the Board.

The Fund's operations entail a variety of risks, including investment, administration, valuation, and a range of compliance matters. Although the Adviser, the sub-administrator and the officers of the Fund are responsible for managing these risks on a day-to-day basis within the framework of their established risk management functions, the Board also addresses risk management of the Fund through its meetings and those of the committees and working groups. As part of its general oversight, the Board reviews with the Adviser at Board meetings the levels and types of risks being undertaken by the Fund, and the Audit Committee discusses the Fund's risk management and controls with the independent registered public accounting firm engaged by the Fund. The Board reviews valuation policies and procedures and the valuations of specific illiquid securities. The Board also receives periodic reports from the Fund's Chief Compliance Officer regarding compliance matters relating to the Fund and its major service providers, including results of the implementation and testing of the Fund's and such providers' compliance programs. The Board's oversight function is facilitated by management reporting processes designed to provide visibility to the Board regarding the identification, assessment, and management of critical risks, and the controls and policies and procedures used to mitigate those risks. The Board reviews its role in supervising the Fund's risk management from time to time and may make changes at its discretion at any time.

The Board has determined that its leadership structure is appropriate for the Fund because it enables the Board to exercise informed and independent judgment over matters under its purview, allocates responsibility among committees in a manner that fosters effective oversight, and allows the Board to devote appropriate resources to specific issues in a flexible manner as they arise. The Board periodically reviews its leadership structure as well as its

overall structure, composition, and functioning, and may make changes at its discretion at any time.

Beneficial Ownership of Shares Held in the Fund and the Family of Investment Companies for each Director and Nominee for Election as Director

Set forth in the table below is the dollar range of equity securities in the Fund beneficially owned by each Director and nominee for election as Director and the aggregate dollar range of equity securities in the Fund Complex beneficially owned by each Director and nominee for election as Director.

<u>Name of Director/Nominee</u>	<u>Dollar Range of Equity Securities Held in the Fund</u> * ⁽¹⁾	<u>Aggregate Dollar Range of Equity Securities Held in the Family of Investment Companies</u> * ⁽¹⁾⁽²⁾
<u>INTERESTED DIRECTOR:</u>		
Mario J. Gabelli	E	E
<u>INDEPENDENT DIRECTORS/NOMINEES:</u>		
Anthony J. Colavita	C	E
James P. Conn	E	E
Frank J. Fahrenkopf, Jr.	A	E
Arthur V. Ferrara	C	E
William F. Heitmann	E	E
Anthony R. Pustorino	E	E
Salvatore J. Zizza	D	E

*Key to Dollar Ranges

A. None

B. \$1 – \$10,000

C. \$10,001 – \$50,000

D. \$50,001 – \$100,000

E. Over \$100,000

All shares were valued as of December 31, 2014.

This information has been furnished by each Director and nominee for election as Director as of December 31, (1)2014. “Beneficial Ownership” is determined in accordance with Rule 16a-1(a)(2) of the Securities Exchange Act of 1934, as amended (the “1934 Act”).

(2)The term “Family of Investment Companies” includes two or more registered funds that share the same investment adviser or principal underwriter and hold themselves out to investors as related companies for purposes of

investment and investor services. Currently, the registered funds that comprise the “Fund Complex” are identical to those that comprise the “Family of Investment Companies.”

Set forth in the table below is the amount of shares beneficially owned by each Director, nominee for election as Director, and executive officer of the Fund.

<u>Name of Director/Nominee/Officer</u>	<u>Amount and Nature of Beneficial Ownership</u> ⁽¹⁾	<u>Percent of Shares Outstanding</u> ⁽²⁾
<u>INTERESTED DIRECTOR:</u>		
Mario J. Gabelli	1,795,608 ⁽³⁾ 29,000 Series G Preferred Shares ⁽³⁾	1%
<u>INDEPENDENT DIRECTORS/NOMINEES:</u>		
Anthony J. Colavita	3,240 ⁽⁴⁾	*
James P. Conn	67,024	*
Frank J. Fahrenkopf, Jr.	0	*
Arthur V. Ferrara	5,372	*
William F. Heitmann	33,250	*
Anthony R. Pustorino	15,565 ⁽⁵⁾	*
Salvatore J. Zizza	14,002	*