

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

GABELLI UTILITY TRUST
Form N-CSRS
September 05, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-09243

THE GABELLI UTILITY TRUST

(Exact name of registrant as specified in charter)

ONE CORPORATE CENTER,
RYE, NEW YORK 10580-1422

(Address of principal executive offices) (Zip code)

BRUCE N. ALPERT
GABELLI FUNDS, LLC
ONE CORPORATE CENTER,
RYE, NEW YORK 10580-1422

(Name and address of agent for service)

registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: DECEMBER 31, 2003

Date of reporting period: JUNE 30, 2003

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

[LOGO OMITTED]

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

THE GABELLI
UTILITY TRUST

THE GABELLI UTILITY TRUST INC.

Semi-Annual Report
June 30, 2003

TO OUR SHAREHOLDERS,

We are changing the way we provide portfolio managers' commentary to shareholders of our Funds. Our shareholder reports have typically contained commentary on each portfolio manager's assessment of the stock market, individual stocks and how economic events affect their thinking in managing a specific Fund. We have always provided details about performance and presented returns, both good and bad, hopefully in a clear and concise fashion. These comments have been included as part of each Fund's quarterly, semi-annual, and annual financial statements.

The Sarbanes-Oxley Act's new corporate governance regulations now require a Fund's principal executive and financial officers to certify the entire contents of shareholder reports in a filing with the Securities and Exchange Commission on form N-CSR. This certification covers the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements.

Rather than ask our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts only, we are removing their commentary from the financial statements and sending it to you separately. As a result, this commentary will no longer be considered part of a Fund's financial report and therefore will not be subject to the officers' certifications.

We trust that you understand that our approach is an unintended consequence of the ever-increasing regulatory requirements affecting public companies generally. We hope the specific certification requirements of these new regulations will be modified as they relate to mutual funds, since investment companies have different corporate structures and objectives than other public companies.

Sincerely yours,

/S/ BRUCE N. ALPERT
Bruce N. Alpert
Chief Operating Officer
Gabelli Funds, LLC

August 8, 2003

THE GABELLI UTILITY TRUST
PORTFOLIO OF INVESTMENTS
JUNE 30, 2003 (UNAUDITED)

SHARES		COST	MARKET VALUE
-----		----	-----
	COMMON STOCKS -- 87.9%		
	AGRICULTURE -- 0.0%		
20,000	Cadiz Inc.+	\$ 3,000	\$ 2,700
		-----	-----
	COMMUNICATIONS EQUIPMENT -- 0.2%		
60,000	Furukawa Electric Co. Ltd.	419,016	195,877
		-----	-----
	ENERGY AND UTILITIES: ELECTRIC -- 21.0%		

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

220,000	AES Corp.+	1,072,514	1,397,000
20,000	Calpine Corp.+	52,600	132,000
55,000	Cinergy Corp.	1,727,502	2,023,450
20,000	Cleco Corp.	364,947	346,400
80,000	DPL Inc.	1,547,470	1,275,200
19,000	DTE Energy Co.	807,570	734,160
90,000	Edison International+	1,037,120	1,478,700
160,000	El Paso Electric Co.+	1,462,191	1,972,800
22,000	FPL Group Inc.	1,192,215	1,470,700
44,000	Great Plains Energy Inc.	19,607	1,270,720
55,000	Maine Public Service Co.	1,750,455	1,788,050
170,000	Northeast Utilities ..	3,354,147	2,845,800
55,000	SCANA Corp.	1,694,645	1,885,400
118,000	TECO Energy Inc.	1,863,891	1,414,820
22,000	UIL Holdings Corp. ...	966,711	892,100
20,000	Unisource Energy Corp.	236,625	376,000
		20,050,210	21,303,300

ENERGY AND UTILITIES: INTEGRATED -- 35.6%

162,000	Allegheny Energy Inc.	1,462,197	1,368,900
13,000	ALLETE Inc.	222,463	345,150
75,000	Alliant Energy Corp. .	1,256,310	1,427,250
150,000	Aquila Inc.	423,832	387,000
500	Avista Corp.	5,575	7,075
18,000	Central Vermont Public Service Corp.	327,361	351,900
48,000	CH Energy Group Inc. .	2,186,400	2,160,000
165,000	CMS Energy Corp.	1,334,352	1,336,500
75,000	Constellation Energy Group Inc.	2,109,100	2,572,500
2,000	Dominion Resources Inc.	80,310	128,540
180,000	DQE Inc.	3,128,555	2,712,600
150,000	Duke Energy Corp.	2,884,145	2,992,500
100,000	El Paso Corp.	1,049,809	808,000
13,000	Empire District Electric Co.	259,961	282,750
32,000	Energy East Corp.	595,433	664,320
5,000	Entergy Corp.	140,415	263,900
8,979	FirstEnergy Corp.	287,099	345,243
83,666	Florida Public Utilities Co.	1,051,557	1,367,939
20,000	Green Mountain Power Corp.	416,731	400,000
30,000	MGE Energy Inc.	816,100	941,400
110,000	Mirant Corp.+	900,482	319,000
5,000	NiSource Inc.	103,120	95,000

SHARES		COST	MARKET VALUE
45,000	NiSource Inc. (Sails)+ \$	90,000	\$ 99,900
64,000	NSTAR	2,729,958	2,915,200
6,000	Otter Tail Corp.	167,121	161,880
50,000	PG&E Corp.+	625,746	1,057,500
10,000	PNM Resources Inc. ...	185,900	267,500
45,000	Progress Energy Inc. .	1,959,850	1,975,500
40,000	Progress Energy Inc., CVO+	20,800	4,200
12,000	Puget Energy Inc.	266,242	286,440

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

30,000	Sierra Pacific Resources+	227,798	178,200
30,000	TXU Corp.	483,015	673,500
10,000	Unitil Corp.	271,147	241,000
10,000	Vectren Corp.	245,531	250,500
215,000	Westar Energy Inc. ...	3,192,547	3,489,450
10,000	Wisconsin Energy Corp.	257,794	290,000
7,000	WPS Resources Corp. ..	204,319	281,400
175,000	Xcel Energy Inc.	3,004,875	2,632,000
		-----	-----
		34,973,950	36,081,637
		-----	-----
	ENERGY AND UTILITIES: NATURAL GAS		-- 14.9%
33,000	AGL Resources Inc. ...	805,954	839,520
3,000	Atmos Energy Corp. ...	66,880	74,400
13,800	Cascade Natural Gas Corp.	295,987	263,580
3,000	Chesapeake Utilities Corp.	55,515	67,800
29,800	Delta Natural Gas Co. Inc.	496,324	700,002
40,000	Dynegy Inc., Cl. A+ ..	250,000	168,000
1,000	EnergySouth Inc.	26,780	32,800
38,000	National Fuel Gas Co.	890,728	989,900
90,000	Nicor Inc.	1,982,877	3,339,900
15,000	NUI Corp.	174,468	232,800
65,000	ONEOK Inc.	1,121,404	1,275,950
19,000	Peoples Energy Corp. .	665,481	814,910
20,000	Piedmont Natural Gas Co. Inc.	588,123	776,200
3,000	RGC Resources Inc. ...	59,164	70,020
115,000	SEMCO Energy Inc.	1,528,444	669,300
102,566	Southern Union Co.+ ..	1,458,095	1,737,468
145,000	Southwest Gas Corp. ..	3,596,118	3,071,100
		-----	-----
		14,062,342	15,123,650
		-----	-----
	ENERGY AND UTILITIES: WATER		-- 5.3%
12,000	American States Water Co.	266,713	327,600
11,000	Artesian Resources Corp., Cl. A	257,250	395,989
20,500	BIW Ltd.	385,069	372,075
20,520	California Water Service Group	566,928	577,022
7,500	Connecticut Water Service Inc.	146,455	191,625
38,500	Middlesex Water Co. ..	801,886	948,640
20,066	Pennichuck Corp.	489,727	495,630
12,000	Philadelphia Suburban Corp.	183,101	292,560
18,300	SJW Corp.	1,768,527	1,560,075

See accompanying notes to financial statements.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

SHARES -----		COST -----	VALUE -----
	COMMON STOCKS (CONTINUED)		
	ENERGY AND UTILITIES: WATER (CONTINUED)		
5,512	Southwest Water Co. \$	52,058	\$ 77,003
6,000	York Water Co.	108,269	98,520
		-----	-----
		5,025,983	5,336,739
		-----	-----
	ENVIRONMENTAL SERVICES -- 0.1%		
18,000	Catalytica Energy Systems Inc.+	179,986	48,600
		-----	-----
	EQUIPMENT AND SUPPLIES -- 0.0%		
10,000	Capstone Turbine Corp.+	13,980	10,900
		-----	-----
	EXCHANGE TRADED FUNDS -- 2.1%		
28,000	Utilities HOLDRs Trust	2,015,370	2,088,800
		-----	-----
	METALS AND MINING -- 0.5%		
6,168	Fording Canadian Coal Trust (New York) ...	132,561	111,764
19,532	Fording Canadian Coal Trust (Toronto)	389,730	350,750
		-----	-----
		522,291	462,514
		-----	-----
	SATELLITE -- 0.6%		
50,000	General Motors Corp., Cl. H+	870,553	640,500
		-----	-----
	TELECOMMUNICATIONS -- 6.6%		
45,000	BellSouth Corp.	1,411,141	1,198,350
30,000	BT Group plc, ADR	1,094,015	1,009,800
24,000	CenturyTel Inc.	910,440	836,400
140,000	Cincinnati Bell Inc.+	953,620	938,000
18,000	Citizens Communications Co.+	132,130	232,020
2,000	Commonwealth Telephone Enterprises Inc.+ ..	65,002	87,940
19,788	D&E Communications Inc.	231,091	226,573
9,000	Deutsche Telekom AG, ADR+	162,149	136,800
2,000	France Telecom SA, ADR	22,799	49,300
40,000	Touch America Holdings Inc.+	38,488	2,680
49,000	Verizon Communications Inc.	1,876,164	1,933,050
2,045	WilTel Communications Inc.+	53,256	30,143
		-----	-----
		6,950,295	6,681,056
		-----	-----
	WIRELESS COMMUNICATIONS -- 1.0%		
39,000	mm02 plc, ADR+	405,354	359,970
35,000	Nextel Communications Inc., Cl. A+	460,343	632,800
		-----	-----
		865,697	992,770
		-----	-----

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

TOTAL COMMON
 STOCKS 85,952,673 88,969,043

SHARES -----	COST -----	MARKET VALUE -----
		PREFERRED STOCKS -- 1.2%
		TELECOMMUNICATIONS -- 1.2%
23,000		Citizens Communications Co., 5.000% Cv. Pfd.\$ 1,094,616 \$ 1,219,000 -----
PRINCIPAL AMOUNT -----		
		CORPORATE BONDS -- 0.8%
		ENERGY AND UTILITIES: INTEGRATED -- 0.8%
\$ 1,100,000		Mirant Corp., Sub. Deb. Cv., 2.500%, 06/15/21+ .. 833,029 825,000 -----
		REPURCHASE AGREEMENT -- 10.0%
10,089,000		Agreement with State Street Bank and Trust Co., 1.080%, dated 06/30/03, due 07/01/03, proceeds at maturity, \$10,089,303 (a) 10,089,000 10,089,000 -----
TOTAL INVESTMENTS -- 99.9%\$97,969,318	\$101,102,043 =====

OTHER ASSETS IN EXCESS
 OF LIABILITIES -- 0.1% 150,362

NET ASSETS -- 100.0%
 (15,282,735 shares outstanding) \$101,252,405
 =====

NET ASSET VALUE
 (\$101,252,405 (DIVIDE) 15,282,735
 shares outstanding) \$6.63
 =====

 For Federal tax purposes:
 Aggregate cost \$ 97,227,406
 =====
 Gross unrealized appreciation ... \$ 10,072,345
 Gross unrealized depreciation ... (6,197,708)

 Net unrealized appreciation \$ 3,874,637
 =====

 (a) Collateralized by U.S. Treasury Note, 3.375%, due 04/30/04, market value
 \$10,293,821.
 + Non-income producing security.
 ADR - American Depository Receipt.
 CVO - Contingent Value Obligation.

See accompanying notes to financial statements.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

THE GABELLI UTILITY TRUST

STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2003 (UNAUDITED)

ASSETS:	
Investments, at value (Cost \$97,969,318) ...	\$ 101,102,043
Cash	757
Dividends and interest receivable	308,141
Receivable for investments sold	489,920
Other assets	3,465

TOTAL ASSETS	101,904,326

LIABILITIES:	
Payable for investments purchased	182,918
Payable for investment advisory fees	83,812
Payable for audit and legal fees	19,118
Other accrued expenses	366,073

TOTAL LIABILITIES	651,921

NET ASSETS applicable to 15,282,735 shares outstanding	\$ 101,252,405
	=====
NET ASSETS CONSIST OF:	
Shares of beneficial interest, at par value	\$ 15,283
Additional paid-in capital	103,846,628
Accumulated net investment loss	(4,686,805)
Accumulated net realized loss on investments	(1,055,344)
Net unrealized appreciation on investments .	3,132,643

TOTAL NET ASSETS	\$ 101,252,405
	=====
NET ASSET VALUE	
(\$101,252,405 / 15,282,735 shares outstanding; unlimited number of shares authorized of \$0.001 par value)	\$6.63
	=====

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)

INVESTMENT INCOME:	
Dividends (net of foreign taxes \$4,647)	\$ 1,582,099
Interest	106,091

TOTAL INVESTMENT INCOME	1,688,190

EXPENSES:	
Investment advisory fees	462,568
Shareholder communications expenses ...	146,113
Shareholder services fees	123,155
Payroll	66,335
Trustees' fees	22,582
Legal and audit fees	17,718
Custodian fees	7,448
Miscellaneous expenses	48,770

TOTAL EXPENSES	894,689

LESS: CUSTODIAN FEE CREDIT	(147)

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

NET EXPENSES	894,542
NET INVESTMENT INCOME	793,648
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized loss on investments	(1,635,388)
Net change in unrealized appreciation on investments	11,593,255
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	9,957,867
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 10,751,515

STATEMENT OF CHANGES IN NET ASSETS

	SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)	YE DECEMBER 31, 2002
OPERATIONS:		
Net investment income	\$ 793,648	\$ 1,000,000
Net realized loss on investments	(1,635,388)	3,000,000
Net change in unrealized appreciation/depreciation on investments	11,593,255	(11,000,000)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS .	10,751,515	(6,000,000)
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:		
Net investment income	(793,648)	(1,000,000)
Net realized gain on investments	--	(4,000,000)
Return of capital	(4,686,805)	(3,000,000)
TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS	(5,480,453)	(9,000,000)
TRUST SHARE TRANSACTIONS:		
Net increase in net assets from common shares issued in rights offering	--	27,000,000
Net increase in net assets from common shares issued upon reinvestment of dividends and distributions	870,263	1,000,000
NET INCREASE IN NET ASSETS FROM TRUST SHARE TRANSACTIONS	870,263	29,000,000
NET INCREASE IN NET ASSETS	6,141,325	12,000,000
NET ASSETS:		
Beginning of period	95,111,080	82,000,000
End of period	\$ 101,252,405	\$ 95,000,000

See accompanying notes to financial statements.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION. The Gabelli Utility Trust (the "Utility Trust") is a closed-end, non-diversified management investment company organized as a Delaware business trust on February 25, 1999 and registered under the Investment Company Act of 1940, as amended (the "1940 Act"), whose primary objective is long-term growth of capital and income. The Utility Trust had no operations prior to July 9, 1999, other than the sale of 10,000 shares of beneficial interest for \$100,000 to The Gabelli Equity Trust Inc. (the "Equity Trust") at \$10.00 per share. On July 9, 1999, the Utility Trust had a 4 for 3 stock split making the balance of Utility Trust shares held by the Equity Trust as 13,333. On July 9, 1999, the Equity Trust contributed \$79,487,260 in cash and securities in exchange for shares of the Utility Trust, and on the same date distributed such shares to Equity Trust shareholders of record on July 1, 1999 at the rate of one share of the Utility Trust for every ten shares of the Equity Trust. Investment operations commenced on July 9, 1999.

Effective August 1, 2002, the Fund modified its non-fundamental investment policy to increase, from 65% to 80%, the portion of its assets that it will invest, under normal market conditions, in common stocks and other securities of foreign and domestic companies involved in providing products, services or equipment for (i) the generation or distribution of electricity, gas and water and (ii) telecommunications services or infrastructure operations (the "80% Policy").

The 80% Policy may be changed without shareholder approval. However, the Fund has adopted a policy to provide shareholders with at least 60 days' notice of the implementation of any change in the 80% Policy.

2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Utility Trust in the preparation of its financial statements.

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 Trustees so determines, by such other method as the Board of Trustees 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 in foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or markets. Securities and assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board of Trustees. Short term debt securities with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Trustees determines such does not reflect the securities fair value, in which case these securities will be valued at their fair value as determined by the Board of Trustees. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the latest average of the bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price on that day.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

Options are valued at the last sale price on the exchange on which they are listed. If no sales of such options have taken place that day, they will be valued at the mean between their closing bid and asked prices.

REPURCHASE AGREEMENTS. The Utility Trust may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Bank of New York, with member banks of the Federal Reserve System or with

5

THE GABELLI UTILITY TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board of Trustees. Under the terms of a typical repurchase agreement, the Utility Trust takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Utility Trust to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Utility Trust's holding period. The Utility Trust will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 102% of the dollar amount invested by the Utility Trust in each agreement. The Utility Trust will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Utility Trust may be delayed or limited.

SECURITIES SOLD SHORT. A short sale involves selling a security which the Utility Trust does not own. The proceeds received for short sales are recorded as liabilities and the Utility Trust records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of the open short position on the day of determination. The Utility Trust records a realized gain or loss when the short position is closed out. By entering into a short sale, the Utility Trust bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Utility Trust on the ex-dividend date and interest expense is recorded on the accrual basis.

FOREIGN CURRENCY TRANSLATION. The books and records of the Utility Trust are maintained in United States (U.S.) dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and 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, which 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 transactions. 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 Utility Trust and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME. Securities transactions are accounted for as of the trade date with realized gain or loss on investments

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded as earned. Dividend income is recorded on the ex-dividend date.

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS. Distributions to shareholders are recorded on the ex-dividend date. Income distributions and capital gain distributions are determined in accordance with Federal income tax regulations, which may differ from accounting principles generally accepted in the United States.

PROVISION FOR INCOME TAXES. The Utility Trust intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. As a result, a Federal income tax provision is not required.

Dividends and interest from non-U.S. sources received by the Utility Trust are generally subject to non-U.S. withholding taxes at rates ranging up to 30%. Such withholding taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties, and the Utility Trust intends to undertake any procedural steps required to claim the benefits of such treaties.

6

THE GABELLI UTILITY TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Utility Trust has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Utility Trust will pay the Adviser on the first business day of each month a fee for the previous month equal on an annual basis to 1.00% of the value of the Utility Trust's average daily net assets. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Utility Trust's portfolio and oversees the administration of all aspects of the Utility Trust's business and affairs.

During the six months ended June 30, 2003, Gabelli & Company, Inc. received \$26,975 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Utility Trust.

The cost of calculating the Trust's net asset value per share is a Trust expense pursuant to the Investment Advisory Agreement between the Trust and the Adviser. During the six months ended June 30, 2003, the Gabelli Utility Trust reimbursed the Adviser \$17,400 in connection with the cost of computing the Trust's net asset value.

4. PORTFOLIO SECURITIES. Cost of purchases and proceeds from sales of securities, other than short-term securities, for the six months ended June 30, 2003 aggregated \$13,736,614 and \$2,710,040, respectively.

5. CAPITAL. The Board of Trustees of the Utility Trust has authorized the repurchase of its shares on the open market when the shares are trading at a discount of 10% or more (or such other percentage as the Board of Trustees may determine from time to time) from the net asset value of the shares. During the six months ended June 30, 2003, the Utility Trust did not repurchase any shares of beneficial interest in the open market.

On May 22, 2002, the Utility Trust distributed one transferable right for each of the 11,294,893 common shares outstanding to shareholders of record on that date. Three rights were required to purchase one additional common share at the subscription price of \$7.50 per share. The subscription period expired on June 27, 2002. The rights offering was fully subscribed resulting in the issuance of 3,764,965 common shares and proceeds of \$28,237,239 to the Utility

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

Trust, prior to the deduction of estimated expenses of \$500,000. The net asset value per share of the Utility Trust common shareholders was enhanced by approximately \$0.15 per share as a result of the issuance of shares above net asset value.

Transactions in shares of beneficial interest were as follows:

	SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)		YEAR ENDED DECEMBER 31, 2002	
	Shares	Amount	Shares	Amount
Shares issued in rights offering	--	--	3,764,965	\$27,737,239
Shares issued upon reinvestment of dividends and distributions	102,243	\$870,263	185,730	1,570,081
Net increase	102,243	\$870,263	3,950,695	\$29,307,320
	=====	=====	=====	=====

6. INDUSTRY CONCENTRATION. Because the Utility Trust primarily invests in common stocks and other securities of foreign and domestic companies in the utility industry, its portfolio may be subject to greater risk and market fluctuations than a portfolio of securities representing a broad range of investments.

7. SUBSEQUENT EVENTS. On July 31, 2003, the Gabelli Utility Trust issued two series of Preferred Shares valued at a total of \$55 million. The issuance consists of \$30 million of 5.625% Series A Cumulative Preferred Shares and \$25 million of Series B Auction Market Preferred Shares.

7

THE GABELLI UTILITY TRUST NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

On August 12, 2003, the Gabelli Utility Trust announced the terms of a Rights Offering. The record date for the Rights Offering is August 20, 2003. Pursuant to the Offer, the Trust will distribute to shareholders of record one transferable Right for each share of its common stock held on the record date. Three Rights will enable a shareholder to purchase one additional share of stock at \$7.00 per share, without brokerage commissions. Rights may be exercised at any time during the subscription period. The Rights are transferable, with the subscription period commencing on August 20, 2003 (the record date) and terminating 34 days later on September 23, 2003 (the expiration date), unless extended up to ten business days thereafter.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A UTILITY TRUST COMMON SHARE OUTSTANDING THROUGHOUT EACH PERIOD:	SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)	YEAR ENDED DECEMBER	
	-----	2002	2001
	-----	-----	-----
OPERATING PERFORMANCE:			
Net asset value, beginning of period	\$ 6.27	\$ 7.32	\$ 8.21
Net investment income	0.05	0.11	0.12 (e)
Net realized and unrealized gain (loss) on investments	0.65	(0.62)	(0.32) (e)

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

Total from investment operations	0.70	(0.51)	(0.20)

CHANGE IN NET ASSET VALUE FROM TRANSACTIONS IN			
SHARES OF BENEFICIAL INTEREST:			
Increase in net asset value from shares			
issued in rights offering	--	0.15	--
Increase in net asset value from			
Trust share transactions	0.02	0.03	0.01

DISTRIBUTIONS TO SHAREHOLDERS:			
Net investment income	(0.05)	(0.11)	(0.21)
Net realized gain on investments	--	(0.36)	(0.49)
Return of capital	(0.31)	(0.25)	--

Total distributions	(0.36)	(0.72)	(0.70)

NET ASSET VALUE, END OF PERIOD	\$ 6.63	\$ 6.27	\$ 7.32
=====			
Net asset value total return+	10.29%	(6.79)%	(3.15)%
=====			
Market value, end of period	\$ 9.61	\$ 8.72	\$ 9.33
=====			
Total investment return++	14.95%	1.70%	15.82%
=====			
RATIOS TO AVERAGE NET ASSETS AND SUPPLEMENTAL DATA:			
Net assets, end of period (in 000's)	\$101,252	\$95,111	\$82,197
Ratio of net investment income to			
average net assets (c)	1.72% (b)	1.65%	1.57%
Ratio of operating expenses to			
average net assets (c) (d)	1.93% (b)	1.93%	2.00%
Portfolio turnover rate	3%	29%	41%

+ Based on net asset value per share, adjusted for reinvestment of distributions. Total return for the periods of less than one year is not annualized.

++ Based on market value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder. Total return for the periods of less than one year is not annualized.

(a) The Gabelli Utility Trust commenced operations on July 9, 1999.

(b) Annualized.

(c) During the period ended December 31, 1999, the Utility Trust's administrator voluntarily reimbursed certain expenses. If such reimbursement had not occurred, the annualized ratios of net investment income and operating expenses to average net assets would have been 1.85% and 2.17%, respectively.

(d) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits for the six months ended June 30, 2003 and the year ended December 31, 2002, 2001, and 2000, the expense ratios would be 1.93%, 1.93%, 2.00% and 1.93%, respectively.

(e) 2001's net investment income per share and net realized and unrealized gain (loss) on investments were originally presented in the Financial Highlights without regard to the character of distributions paid during the year. Amounts as previously reported of \$0.61 and \$(0.81), respectively, have been revised to reflect reclassification of amounts based on the character of 2001 distributions.

See accompanying notes to financial statements.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

8

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLAN

ENROLLMENT IN THE PLAN

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

The Gabelli Utility Trust
c/o EquiServe
P.O. Box 43011
Providence, RI 02940-3011

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

SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at EquiServe must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

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

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

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that EquiServe will endeavor to terminate purchases in the open market and cause the Utility Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Stock exceeds the then current net asset value.

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

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

VOLUNTARY CASH PURCHASE PLAN

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

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to EquiServe for investments in the Utility Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to EquiServe, P.O. Box 43011, Providence, RI 02940-3011 such that EquiServe receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment in the following month. A payment may be withdrawn without charge if notice is received by EquiServe at least 48 hours before such payment is to be invested.

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

9

TRUSTEES AND OFFICERS
THE GABELLI UTILITY TRUST
ONE CORPORATE CENTER, RYE, NY 10580-1422

TRUSTEES

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

Dr. Thomas E. Bratter
PRESIDENT, JOHN DEWEY ACADEMY

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

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

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

Vincent D. Enright
FORMER SENIOR VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER,
KEYSPAN ENERGY CORP.

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

John D. Gabelli
SENIOR VICE PRESIDENT,
GABELLI & COMPANY, INC.

Robert J. Morrissey
ATTORNEY-AT-LAW
MORRISSEY, HAWKINS & LYNCH

Karl Otto Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Anthony R. Pustorino
CERTIFIED PUBLIC ACCOUNTANT,
PROFESSOR EMERITUS, PACE UNIVERSITY

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Bruce N. Alpert
PRESIDENT

Gus Coutsouros
VICE PRESIDENT & TREASURER

David I. Schachter
VICE PRESIDENT & OMBUDSMAN

James E. McKee
SECRETARY

INVESTMENT ADVISOR
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

CUSTODIAN
Boston Safe Deposit and Trust Company

COUNSEL
Skadden, Arps, Slate, Meagher & Flom, LLP

TRANSFER AGENT AND REGISTRAR

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

EquiServe Trust Company

STOCK EXCHANGE LISTING

COMMON

NYSE-Symbol:

GUT

Shares Outstanding:

15,282,735

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "Specialized Equity Funds," in Sunday's The New York Times and in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "Specialized Equity Funds."

The Net Asset Value may be obtained each day by calling (914) 921-5071.

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

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

THE GABELLI UTILITY TRUST
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
WWW.GABELLI.COM

SEMI-ANNUAL REPORT
JUNE 30, 2003

GBFUF SA/03

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. [RESERVED]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Exchange Act (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 10. EXHIBITS.

- (a) (1) Not applicable.
- (a) (2) Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSRS

2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(registrant) THE GABELLI UTILITY TRUST

By (Signature and Title)* /S/ BRUCE N. ALPERT

Bruce N. Alpert, Principal Executive Officer

Date 09/03/03

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /S/ BRUCE N. ALPERT

Bruce N. Alpert, Principal Executive Officer

Date 09/03/03

By (Signature and Title)* /S/ GUS A. COUTSOUROS

Gus A. Coutsouros, Principal Financial Officer

Date 09/03/03

* Print the name and title of each signing officer under his or her signature.