

GABELLI UTILITY TRUST
Form N-CSR
March 09, 2011

**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

Date of reporting period: December 31, 2010

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, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

The Gabelli Utility Trust
Annual Report
December 31, 2010

To Our Shareholders,

Mario J. Gabelli, CFA

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission (SEC) on Form N-CSR. This certification would cover the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio manager to eliminate his opinions and/or restrict his commentary to historical facts, we have separated his commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2010.

Investment Performance

For the year ended December 31, 2010, The Gabelli Utility Trust's (the Fund) net asset value (NAV) total return was 18.1% and the total return for the Fund's publicly traded shares was (21.4)%, compared with gains of 5.5% and 10.2% for the S&P 500 Utilities Index and the Lipper Utility Fund Average, respectively.

On December 31, 2010, the Fund's NAV per share was \$5.33, while the price of the Fund's publicly traded shares closed at \$6.39 on the New York Stock Exchange (NYSE).

Sincerely yours,

Bruce N. Alpert
President

February 25, 2011

Comparative Results

Average Annual Returns through December 31, 2010 (a) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (07/09/99)
Gabelli Utility Trust NAV Total Return (b)	7.70%	18.14%	(0.57)%	6.75%	6.60%	7.89%
Investment Total Return (c)	4.24	(21.38)	(2.88)	1.99	5.47	7.50
S&P 500 Index	10.76	15.08	(2.84)	2.29	1.42	1.04(d)
S&P 500 Utilities Index	1.09	5.46	(5.71)	3.90	0.78	3.67
Lipper Utility Fund Average	4.99	10.19	(4.35)	5.41	3.20	4.05

(a) *Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. 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. Performance returns for periods of less than one*

*year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The S&P 500 Index is an unmanaged indicator of stock market performance. The S&P 500 Utilities Index is an unmanaged indicator of electric and gas utility stock performance. The Lipper Utility Fund Average reflects the average performance of open-end mutual funds classified in this particular category. 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, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$7.50.*
 - (c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$7.50.*
 - (d) From June 30, 1999, the date closest to the Fund's inception for which data is available.*
-

THE GABELLI UTILITY TRUST
Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2010:

Energy and Utilities: Electric Integrated	45.8%
Energy and Utilities: Natural Gas Integrated	9.8%
Energy and Utilities: Electric Transmission and Distribution	8.6%
Energy and Utilities: Natural Gas Utilities	8.5%
Telecommunications	4.5%
Cable and Satellite	4.1%
Energy and Utilities: Global Utilities	3.6%
Energy and Utilities: Water	3.3%
Wireless Communications	2.5%
Energy and Utilities: Merchant Energy	1.8%
U.S. Government Obligations	1.5%
Energy and Utilities: Natural Resources	1.4%
Diversified Industrial	1.1%
Entertainment	1.1%
Communications Equipment	0.5%
Energy and Utilities: Services	0.4%
Independent Power Producers and Energy Traders	0.4%
Aerospace	0.3%
Transportation	0.3%
Energy and Utilities: Alternative Energy	0.2%
Real Estate	0.1%
Environmental Services	0.1%
Equipment and Supplies	0.1%
Investment Companies	0.0%
Agriculture	0.0%
	100.0%

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2010. 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-Q 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 1-800-SEC-0330.

Proxy Voting

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

Update to the By-Laws of The Gabelli Utility Trust

On December 3, 2010, the Board of Trustees of the Fund approved and adopted the Amended and Restated By-Laws of the Fund (the "December 2010 Amendments"). The December 2010 Amendments were effective as of December 3, 2010. The December 2010 Amendments set out the processes and procedures that shareholders of the Fund must follow, and specifies additional information that shareholders of the Fund must provide, and additional

trustee qualifications that must be met, when proposing trustee nominations at any annual or special meeting of shareholders or other business to be considered at an annual meeting of shareholders. On February 16, 2011, the Board of Trustees of the Fund approved and adopted the Third Amended and Restated Declaration of Trust of the Fund and Second Amended and Restated By-Laws of the Fund (the February 2011 Amendments). The February 2011 Amendments were effective as of February 16, 2011. The February 2011 Amendments clarify certain provisions of the governing documents.

THE GABELLI UTILITY TRUST
SCHEDULE OF INVESTMENTS
December 31, 2010

Shares		Cost	Market Value
	COMMON STOCKS 97.3%		
	ENERGY AND UTILITIES 84.0%		
	Energy and Utilities: Alternative Energy 0.2%		
7,000	Ormat Industries Ltd.	\$ 95,331	\$ 60,186
11,000	Ormat Technologies Inc.	234,175	325,380
8,100	Renegy Holdings Inc.	57,108	2,410
		386,614	387,976
	Energy and Utilities: Electric Integrated 45.8%		
145,000	Allegheny Energy Inc.	4,211,152	3,514,800
23,000	ALLETE Inc.	728,776	856,980
75,000	Alliant Energy Corp.	1,824,382	2,757,750
17,000	Ameren Corp.	560,038	479,230
78,000	American Electric Power Co. Inc.	2,568,822	2,806,440
10,000	Avista Corp.	199,636	225,200
50,000	Black Hills Corp.	1,431,322	1,500,000
26,000	Central Vermont Public Service Corp.	482,572	568,360
27,000	Cleco Corp.	524,506	830,520
125,000	CMS Energy Corp.	1,418,407	2,325,000
140,000	Constellation Energy Group Inc.	4,769,003	4,288,200
30,000	Dominion Resources Inc.	1,316,090	1,281,600
120,000	DPL Inc.	2,550,219	3,085,200
23,000	DTE Energy Co.	934,776	1,042,360
125,000	Duke Energy Corp.	2,408,508	2,226,250
86,000	Edison International	3,727,375	3,319,600
172,000	El Paso Electric Co.	3,176,667	4,735,160
1,000	Emera Inc.	21,639	31,530
3,000	Entergy Corp.	75,249	212,490
30,000	FirstEnergy Corp.	1,303,026	1,110,600
200,000	Great Plains Energy Inc.	5,211,495	3,878,000
52,000	Hawaiian Electric Industries Inc.	1,253,981	1,185,080
92,000	Integrus Energy Group Inc.	4,632,153	4,462,920
64,000	MGE Energy Inc.	1,887,100	2,736,640
95,000	NextEra Energy Inc.	4,094,307	4,939,050
48,000	NiSource Inc.	1,020,000	845,760
109,000	NorthWestern Corp.	3,303,774	3,142,470
35,000	NV Energy Inc.	312,248	491,750
100,000	OGE Energy Corp.	2,406,346	4,554,000
22,400	Otter Tail Corp.	592,095	504,896
48,000	PG&E Corp.	1,280,160	2,296,320
100,000	PNM Resources Inc.	1,119,082	1,302,000

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

95,000	Progress Energy Inc.	4,127,681	4,130,600
40,000	Progress Energy Inc., CVO	20,800	6,100
38,000	Public Service Enterprise Group Inc.	996,629	1,208,780
60,500	SCANA Corp.	1,918,305	2,456,300
104,000	TECO Energy Inc.	1,548,928	1,851,200
25,000	The Empire District Electric Co.	515,057	555,000
142,000	UniSource Energy Corp.	4,291,670	5,089,280
18,000	Unitil Corp.	466,141	409,320
47,000	Vectren Corp.	1,162,166	1,192,860
260,000	Westar Energy Inc.	5,973,605	6,541,600
90,000	Wisconsin Energy Corp.	3,273,387	5,297,400
179,000	Xcel Energy Inc.	3,118,075	4,215,450

88,757,350 100,490,046

Energy and Utilities:

Electric Transmission and Distribution 8.6%

243	Brookfield Infrastructure Partners LP	5,103	5,115
50,000	CH Energy Group Inc.	2,261,677	2,444,500
56,000	Consolidated Edison Inc.	2,529,105	2,775,920
135,000	Northeast Utilities	2,670,943	4,303,800
185,000	NSTAR	4,506,975	7,805,150
22,500	Pepco Holdings Inc.	449,918	410,625
36,666	UIL Holdings Corp.	966,693	1,098,513

13,390,414 18,843,623

Energy and Utilities: Global Utilities 3.6%

15,000	Areva SA	613,197	731,629
8,000	Chubu Electric Power Co. Inc.	189,551	196,674
40,000	Electric Power Development Co. Ltd.	1,440,584	1,254,834
43,000	Endesa SA	1,588,324	1,108,715
300,000	Enel SpA	1,862,753	1,499,339
300,000	Hera SpA	433,285	620,983
8,000	Hokkaido Electric Power Co. Inc.	156,870	163,567
8,000	Hokuriku Electric Power Co.	146,449	196,576
3,500	Huaneng Power International Inc., ADR	135,552	74,830
35,000	Korea Electric Power Corp., ADR	565,727	472,850
8,000	Kyushu Electric Power Co. Inc.	167,818	179,332
2,000	Niko Resources Ltd.	113,769	207,543
8,000	Shikoku Electric Power Co. Inc.	155,987	235,300
8,000	The Chugoku Electric Power Co. Inc.	150,761	162,582
8,000	The Kansai Electric Power Co. Inc.	158,472	197,463
8,000	The Tokyo Electric Power Co. Inc.	191,450	195,394
15,000	Tohoku Electric Power Co. Inc.	284,854	334,401

8,355,403 7,832,012

Energy and Utilities: Merchant Energy 1.8%

23,000	Dynegy Inc.	103,656	129,260
23,048	GenOn Energy Inc.	37,369	87,813

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

300,000	GenOn Energy Inc., Escrow (a)	0	0
305,000	The AES Corp.	3,720,739	3,714,900
		3,861,764	3,931,973
	Energy and Utilities: Natural Gas Integrated 8.8%		
180,000	El Paso Corp.	1,530,899	2,476,800
1,000	Energen Corp.	66,090	48,260
127,000	National Fuel Gas Co.	4,287,736	8,333,740
100,000	ONEOK Inc.	2,674,346	5,547,000
120,000	Southern Union Co.	2,059,886	2,888,400
		10,618,957	19,294,200
	Energy and Utilities: Natural Gas Utilities 8.5%		
26,000	AGL Resources Inc.	643,173	932,100
34,000	Atmos Energy Corp.	845,238	1,060,800
22,500	Chesapeake Utilities Corp.	551,036	934,200
11,000	CONSOL Energy Inc.	376,317	536,140
14,945	Corning Natural Gas Corp.	240,181	321,317
30,000	Delta Natural Gas Co. Inc.	502,057	941,250
11,445	GDF Suez	387,206	410,645
11,445	GDF Suez, Strips	0	15
90,000	Nicor Inc.	3,094,353	4,492,800
35,000	Piedmont Natural Gas Co. Inc.	553,257	978,600
6,000	RGC Resources Inc.	128,344	189,300
140,000	Southwest Gas Corp.	3,835,327	5,133,800
112,000	Spectra Energy Corp.	3,057,603	2,798,880
		14,214,092	18,729,847

See accompanying notes to financial statements.

THE GABELLI UTILITY TRUST
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2010

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	ENERGY AND UTILITIES (Continued)		
	Energy and Utilities: Natural Resources 1.4%		
4,000	Anadarko Petroleum Corp.	\$ 197,150	\$ 304,640
34,000	Compania de Minas Buenaventura SA, ADR	381,326	1,664,640
10,000	Exxon Mobil Corp.	547,153	731,200
3,000	Peabody Energy Corp.	112,025	191,940
4,000	Royal Dutch Shell plc, Cl. A, ADR	237,320	267,120
		1,474,974	3,159,540
	Energy and Utilities: Services 0.4%		
30,000	ABB Ltd., ADR	327,690	673,500
2,400	Tenaris SA, ADR	104,090	117,552
		431,780	791,052
	Energy and Utilities: Water 3.3%		
14,000	American States Water Co.	312,701	482,580
28,000	American Water Works Co. Inc.	602,000	708,120
21,833	Aqua America Inc.	221,008	490,806
24,750	Artesian Resources Corp., Cl. A	257,250	469,012
20,000	California Water Service Group	555,152	745,400
7,500	Connecticut Water Service Inc.	146,455	209,100
51,333	Middlesex Water Co.	801,882	941,960
33,000	Pennichuck Corp.	680,437	902,880
80,000	SJW Corp.	1,482,532	2,117,600
9,000	The York Water Co.	108,269	155,610
		5,167,686	7,223,068
	Diversified Industrial 1.1%		
1,800	Alstom SA	157,996	86,136
1,000	Bouygues SA	43,572	43,103
6,000	Cooper Industries plc	123,352	349,740
112,000	General Electric Co.	1,834,137	2,048,480
		2,159,057	2,527,459
	Equipment and Supplies 0.1%		
50,000	Capstone Turbine Corp.	83,080	47,990
2,000	Mueller Industries Inc.	88,019	65,400

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

		171,099	113,390
	Environmental Services 0.0%		
3,000	Suez Environnement Co. SA	0	61,938
	Independent Power Producers and Energy Traders 0.4%		
40,000	NRG Energy Inc.	966,620	781,600
	TOTAL ENERGY AND UTILITIES	149,955,810	184,167,724
	COMMUNICATIONS 11.5%		
	Cable and Satellite 4.1%		
79,000	Cablevision Systems Corp., Cl. A	1,598,145	2,673,360
5,000	Cogeco Cable Inc.	105,008	206,276
20,000	Cogeco Inc.	389,461	754,098
30,000	DIRECTV, Cl. A	480,619	1,197,900
52,000	DISH Network Corp., Cl. A	1,038,327	1,022,320
10,000	EchoStar Corp., Cl. A	280,860	249,700
32,000	Liberty Global Inc., Cl. A	679,977	1,132,160
20,000	Liberty Global Inc., Cl. C	421,966	677,800
8,000	Rogers Communications Inc., Cl. B	119,139	277,040
12,000	Time Warner Cable Inc.	515,102	792,360
		5,628,604	8,983,014
	Communications Equipment 0.5%		
245,000	Furukawa Electric Co. Ltd.	\$ 1,129,666	\$ 1,101,429
2,000	QUALCOMM Inc.	76,299	98,980
		1,205,965	1,200,409
	Telecommunications 4.5%		
45,000	AT&T Inc.	1,132,914	1,322,100
2,000	Belgacom SA	69,509	67,149
4,350(b)	Bell Aliant Regional Communications Income Fund	117,218	113,705
12,000	BT Group plc, ADR	372,390	342,480
210,000	Cincinnati Bell Inc.	863,487	588,000
1,400	Comstar United Telesystems OJSC, GDR	6,303	9,359
53,000	Deutsche Telekom AG, ADR	886,877	678,400
2,000	France Telecom SA, ADR	22,799	42,160
200	Hutchison Telecommunications Hong Kong Holdings Ltd.	19	61
500	Mobistar SA	41,057	32,412
19,000	Nippon Telegraph & Telephone Corp.	883,158	860,020
11,800	Orascom Telecom Holding SAE, GDR (c)(d)	74,146	43,070
15,000	Portugal Telecom SGPS SA	210,165	167,974
2,000	PT Indosat Tbk	1,061	1,199
500	Sistema JSFC, GDR (c)	17,384	12,465
1,200	Tele2 AB, Cl. B	14,604	24,908
27,000	Telekom Austria AG	403,751	379,565
40,000	Touch America Holdings Inc. (a)	38,488	0
110,000	Verizon Communications Inc.	3,846,319	3,935,800

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

75,000	VimpelCom Ltd., ADR	720,805	1,128,000
		9,722,454	9,748,827
	Wireless Communications 2.4%		
600	America Movil SAB de CV, Cl. L, ADR	9,424	34,404
2,000	China Mobile Ltd., ADR	33,988	99,240
2,000	China Unicom Hong Kong Ltd., ADR	16,278	28,500
171	M1 Ltd.	210	313
13,000	Millicom International Cellular SA	936,446	1,242,800
11,250	Mobile TeleSystems OJSC, ADR	175,074	234,788
1,000	NTT DoCoMo Inc.	1,438,659	1,746,521
600	SK Telecom Co. Ltd., ADR	12,374	11,178
200	SmarTone Telecommunications Holdings Ltd.	207	383
22,000	Turkcell Iletisim Hizmetleri A/S, ADR	378,706	376,860
29,000	United States Cellular Corp.	1,356,795	1,448,260
		4,358,161	5,223,247
	TOTAL COMMUNICATIONS	20,915,184	25,155,497
	OTHER 1.8%		
	Aerospace 0.3%		
75,000	Rolls-Royce Group plc	555,067	728,484
4,800,000	Rolls-Royce Group plc., Cl. C	7,575	7,484
		562,642	735,968

See accompanying notes to financial statements.

THE GABELLI UTILITY TRUST
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2010

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	OTHER (Continued)		
	Agriculture 0.0%		
3,000	Cadiz Inc.	\$ 30,211	\$ 37,320
	Entertainment 1.1%		
85,000	Vivendi	2,892,807	2,294,442
	Investment Companies 0.0%		
3,000	Kinnevik Investment AB, Cl. B	41,537	61,109
	Real Estate 0.1%		
6,075	Brookfield Asset Management Inc., Cl. A	65,353	202,237
	Transportation 0.3%		
20,000	GATX Corp.	569,753	705,600
	TOTAL OTHER	4,162,303	4,036,676
	TOTAL COMMON STOCKS	175,033,297	213,359,897
	CONVERTIBLE PREFERRED STOCKS 1.0%		
	ENERGY AND UTILITIES 1.0%		
	Energy and Utilities: Natural Gas Integrated 1.0%		
2,000	El Paso Corp., 4.990% Cv. Pfd. (e)	1,945,987	2,313,340
	WARRANTS 0.1%		
	ENERGY AND UTILITIES 0.0%		
	Energy and Utilities: Merchant Energy 0.0%		
26,107	GenOn Energy Inc., expire 01/03/11	51,616	183
	COMMUNICATIONS 0.1%		
	Wireless Communications 0.1%		
16,000	Bharti Airtel Ltd., expire 09/19/13 (a)(e)	108,378	128,415
	TOTAL WARRANTS	159,994	128,598
Principal Amount			
	CONVERTIBLE CORPORATE BONDS 0.1%		
	ENERGY AND UTILITIES 0.1%		
	Environmental Services 0.1%		
\$ 100,000	Covanta Holding Corp., Cv., 3.250%, 06/01/14	100,000	119,500

	U.S. GOVERNMENT OBLIGATIONS	1.5%		
3,393,000	U.S. Treasury Bills, 0.105% to 0.160%		, 01/13/11 to 05/12/11	3,392,114
				3,392,278
TOTAL INVESTMENTS	100.0%			\$ 180,631,392
				219,313,613

Notional Amount		Termination Date	Unrealized Appreciation/Depreciation
	EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS		
\$ 243,378 (25,000 Shares)	Rolls-Royce Group plc	06/27/11	(644)
2,486 (1,600,000 Shares)	Rolls-Royce Group plc, Cl. C	06/27/11	7
	TOTAL EQUITY CONTRACT FOR DIFFERENCE SWAP AGREEMENTS		
			(637)

Other Assets and Liabilities (Net)	Market Value
PREFERRED STOCK	(469,338)
(1,154,188 preferred shares outstanding)	(51,332,200)
NET ASSETS - COMMON SHARES	
(31,431,985 common shares outstanding)	\$ 167,511,438
NET ASSET VALUE PER COMMON SHARE	
(\$167,511,438 ÷ 31,431,985 shares outstanding)	\$ 5.33

- (a) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At December 31, 2010, the market value of fair valued securities amounted to \$128,415 or 0.06% of total investments.
- (b) Denoted in units.
- (c) Security purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. These securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2010, the market value of Regulation S securities amounted to \$55,535 or 0.03% of total investments, which were valued under methods approved by the Board of Trustees as follows:

12/31/10

Acquisition Shares	Issuer	Acquisition Date	Acquisition Cost	Carrying Value Per Unit
11,800	Orascom Telecom Holding SEA, GDR	07/27/09	\$ 74,146	\$ 3.6500
500	Sistema JSFC, GDR	10/10/07	17,384	24.9300

(d) Illiquid security.

(e) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2010, the market value of Rule 144A securities amounted to \$2,441,755 or 1.11% of total investments.

Non-income producing security.

Represents annualized yield at date of purchase.

ADR American Depositary Receipt

Cv. Convertible

CVO Contingent Value Obligation

GDR Global Depositary Receipt

OJSC Open Joint Stock Company

Strips Regular coupon payment portion of security traded separately from the principal portion of the security.

See accompanying notes to financial statements.

THE GABELLI UTILITY TRUST
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2010

Assets:	
Investments, at value (cost \$180,631,392)	\$ 219,313,613
Cash	2,549
Dividends and interest receivable	462,285
Unrealized appreciation on swap contracts	7
Deferred offering expense	122,544
Prepaid expense	5,961
Total Assets	219,906,959
Liabilities:	
Distributions payable	25,345
Payable for investment advisory fees	652,848
Payable for payroll expenses	28,788
Payable for accounting fees	7,500
Payable for auction agent fees	163,602
Payable for shareholder communications expenses	119,197
Unrealized depreciation on swap contracts	644
Other accrued expenses	65,397
Total Liabilities	1,063,321
Preferred Shares:	
Series A Cumulative Preferred Shares (5.625%, \$ 25 liquidation value, \$0.001 par value, 1,200,000 shares authorized with 1,153,288 shares issued and outstanding)	28,832,200
Series B Cumulative Preferred Shares (Auction Market, \$25,000 liquidation value, \$0.001 par value, 1,000 shares authorized with 900 shares issued and outstanding)	22,500,000
Total Preferred Shares	51,332,200
Net Assets Attributable to Common Shareholders	\$ 167,511,438
Net Assets Attributable to Common Shareholders Consist of:	
Paid-in capital	\$ 132,747,769
Accumulated distributions in excess of net investment income	(95,655)
Accumulated net realized loss on investments, swap contracts, and foreign currency transactions	(3,822,796)
Net unrealized appreciation on investments	38,682,221
Net unrealized depreciation on swap contracts	(637)
Net unrealized appreciation on foreign currency translations	536
Net Assets	\$ 167,511,438
Net Asset Value per Common Share:	
(\$167,511,438 ÷ 31,431,985 shares outstanding at \$0.001 par value; unlimited number of shares authorized)	\$ 5.33

STATEMENT OF OPERATIONS
For the Year Ended December 31, 2010

Investment Income:

Dividends (net of foreign withholding taxes of \$93,159)	\$ 7,747,126
Interest	4,866

Total Investment Income	7,751,992
--------------------------------	-----------

Expenses:

Investment advisory fees	2,083,626
Shareholder communications expenses	261,231
Shareholder services fees	148,858
Payroll expenses	134,150
Legal and audit fees	88,467
Trustees fees	79,361
Auction agent fees	52,469
Accounting fees	45,000
Custodian fees	30,122
Interest expense	101
Miscellaneous expenses	107,691

Total Expenses	3,031,076
-----------------------	-----------

Less:

Advisory fee reduction on unsupervised assets (See Note 3)	(23,333)
--	----------

Net Expenses	3,007,743
---------------------	-----------

Net Investment Income	4,744,249
------------------------------	-----------

Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency:

Net realized loss on investments	(1,536,263)
Net realized loss on swap contracts	(430,568)
Net realized loss on foreign currency transactions	(909)

Net realized loss on investments, swap contracts, and foreign currency transactions	(1,967,740)
---	-------------

Net change in unrealized appreciation/depreciation:

on investments	24,463,304
on swap contracts	460,966
on foreign currency translations	(395)

Net change in unrealized appreciation/depreciation on investments, swap contracts, and foreign currency translations	24,923,875
--	------------

Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency	22,956,135
---	------------

Net Increase in Net Assets Resulting from Operations	27,700,384
Total Distributions to Preferred Shareholders	(1,970,625)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations	\$ 25,729,759

See accompanying notes to financial statements.

6

THE GABELLI UTILITY TRUST
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

	Year Ended December 31, 2010	Year Ended December 31, 2009
Operations:		
Net investment income	\$ 4,744,249	\$ 5,230,299
Net realized loss on investments, swap contracts, and foreign currency transactions	(1,967,740)	(2,250,710)
Net change in unrealized appreciation on investments, swap contracts, and foreign currency translations	24,923,875	23,660,404
Net Increase in Net Assets Resulting from Operations	27,700,384	26,639,993
Distributions to Preferred Shareholders:		
Net investment income	(1,970,625)	(1,965,939)
Total Distributions to Preferred Shareholders	(1,970,625)	(1,965,939)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations	25,729,759	24,674,054
Distributions to Common Shareholders:		
Net investment income	(2,428,970)	(2,413,479)
Return of capital	(20,001,660)	(19,676,599)
Total Distributions to Common Shareholders	(22,430,630)	(22,090,078)
Fund Share Transactions:		
Net increase in net assets from common shares issued upon reinvestment of distributions .	3,365,431	3,328,163
Net increase in net assets from repurchase of preferred shares		36,704
Net Increase in Net Assets from Fund Share Transactions	3,365,431	3,364,867
Net Increase in Net Assets Attributable to Common Shareholders	6,664,560	5,948,843
Net Assets Attributable to Common Shareholders:		
Beginning of period	160,846,878	154,898,035
End of period (including undistributed net investment income of \$0 and \$0, respectively)	\$ 167,511,438	\$ 160,846,878

See accompanying notes to financial statements.

**THE GABELLI UTILITY TRUST
FINANCIAL HIGHLIGHTS**

Selected data for a share of beneficial interest outstanding throughout each period:

	Year Ended December 31,				
	2010	2009	2008	2007	2006
Operating Performance:					
Net asset value, beginning of period	\$ 5.20	\$ 5.09	\$ 8.18	\$ 8.19	\$ 6.98
Net investment income	0.15	0.17	0.18	0.19	0.17
Net realized and unrealized gain/(loss) on investments, swap contracts, and foreign currency transactions	0.73	0.69	(2.48)	0.61	1.84
Total from investment operations	0.88	0.86	(2.30)	0.80	2.01
Distributions to Preferred Shareholders: (a)					
Net investment income	(0.06)	(0.06)	(0.06)	(0.03)	(0.02)
Net realized gain			(0.03)	(0.07)	(0.08)
Total distributions to preferred shareholders	(0.06)	(0.06)	(0.09)	(0.10)	(0.10)
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations					
	0.82	0.80	(2.39)	0.70	1.91
Distributions to Common Shareholders:					
Net investment income	(0.08)	(0.08)	(0.10)	(0.16)	(0.16)
Net realized gain			(0.04)	(0.33)	(0.56)
Paid-in capital	(0.64)	(0.64)	(0.58)	(0.23)	
Total distributions to common shareholders	(0.72)	(0.72)	(0.72)	(0.72)	(0.72)
Fund Share Transactions:					
Increase in net asset value from common share transactions	0.03	0.03	0.02	0.01	0.02

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

Increase in net asset value from repurchase of preferred shares		0.00(g)	0.00(g)	0.00(g)	
Offering costs for issuance of rights charged to paid-in capital			(0.00)(g)		0.00(g)
Total fund share transactions	0.03	0.03	0.02	0.01	0.02
Net Asset Value Attributable to Common Shareholders, End of Period	\$ 5.33	\$ 5.20	\$ 5.09	\$ 8.18	\$ 8.19
NAV total return	13.76%	14.19%	(31.68)%	8.08%	27.46%
Market value, end of period	\$ 6.39	\$ 9.02	\$ 5.90	\$ 9.50	\$ 9.94
Investment total return	(21.38)%	70.88%	(31.81)%	3.42%	16.47%

See accompanying notes to financial statements.

THE GABELLI UTILITY TRUST
FINANCIAL HIGHLIGHTS (Continued)

Selected data for a share of beneficial interest outstanding throughout each period:

	Year Ended December 31,				
	2010	2009	2008	2007	2006
Ratios to Average Net Assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of period (in 000 s)	\$ 218,843	\$ 212,179	\$ 206,724	\$ 300,210	\$ 297,511
Net assets attributable to common shares, end of period (in 000 s)	\$ 167,511	\$ 160,847	\$ 154,898	\$ 245,617	\$ 242,906
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions	3.01%	3.68%	2.68%	2.03%	2.24%
Ratio of operating expenses to average net assets attributable to common shares before fee waived	1.93%	2.04%	1.77%		
Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any (b)(c)	1.91%	2.04%	1.50%	1.63%	1.75%
Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee waived	1.45%	1.50%	1.39%		
Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any (b)(c)	1.44%	1.50%	1.18%	1.34%	1.40%
Portfolio turnover rate	1%	4%	14%	13%	33%
Preferred Shares:					
5.625% Series A Cumulative Preferred Shares					
Liquidation value, end of period (in 000 s)	\$ 28,832	\$ 28,832	\$ 29,326	\$ 29,593	\$ 29,605
Total shares outstanding (in 000 s)	1,153	1,153	1,173	1,184	1,184
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (d)	\$ 25.15	\$ 23.86	\$ 22.76	\$ 23.36	\$ 23.80
Asset coverage per share	\$ 106.58	\$ 103.34	\$ 99.72	\$ 137.48	\$ 136.21
Series B Auction Market Cumulative Preferred Shares					
Liquidation value, end of period (in 000 s)	\$ 22,500	\$ 22,500	\$ 22,500	\$ 25,000	\$ 25,000
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

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

Average market value (e)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 106,582	\$ 103,336	\$ 99,721	\$ 137,478	\$ 136,210
Asset Coverage (f)	426%	413%	399%	550%	545%

Based on net asset value per share, adjusted for reinvestment of distributions at prices determined 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.

Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the years ended December 31, 2007 and 2006, would have been 29% and 34%, respectively.

- (a) Calculated based upon average common shares outstanding on the record dates throughout the period.
- (b) The ratios do not include a reduction for custodian fee credits on cash balances maintained with the custodian (Custodian Fee Credits). Including such Custodian Fee Credits for the year ended December 31, 2007, the ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction would have been 1.63% and the ratio of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction would have been 1.33%. For the years ended December 31, 2009, 2008, and 2006, the effect of Custodian Fee Credits was minimal. For the year ended December 31, 2010, there were no Custodian Fee Credits.
- (c) The Fund incurred interest expense during the year ended December 31, 2007. If interest expense had not been incurred, the ratio of operating expenses to average net assets attributable to common stock would have been 1.62% and the ratio of operating expenses to average net assets including liquidation value of preferred shares would have been 1.33%. For the years ended December 31, 2010, 2009, and 2008, the effect of interest expense was minimal.
- (d) Based on weekly prices.
- (e) Based on weekly auction prices. 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 auctions.
- (f) Asset coverage is calculated by combining all series of preferred shares.
- (g) Amount represents less than \$0.005 per share.

See accompanying notes to financial statements.

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS

1. Organization. The Gabelli Utility Trust (the Fund) is a non-diversified closed-end management investment company organized as a Delaware statutory trust on February 25, 1999 and registered under the Investment Company Act of 1940, as amended (the 1940 Act). Investment operations commenced on July 9, 1999.

The Fund's primary objective is long-term growth of capital and income. The Fund will invest 80% of its assets, 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 notice at least sixty days prior to the implementation of any change in the 80% Policy.

2. Significant Accounting Policies. The Fund's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), which may require the use of management estimates and assumptions. 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.

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 (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 instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, 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. Debt instruments having a maturity greater than sixty days 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 security is valued using the closing bid price. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. 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.

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 ADR 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 Fund's determinations as to the fair value of investments).

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in 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, 2010 is as follows:

	Valuation Inputs			Total Market Value at 12/31/10
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
ENERGY AND UTILITIES				
Energy and Utilities: Electric Integrated	\$ 100,483,946	\$ 6,100		\$ 100,490,046
Energy and Utilities: Merchant Energy	3,931,973		\$ 0	3,931,973
Other Industries (a)	79,745,705			79,745,705
COMMUNICATIONS				
Telecommunications	9,748,827		0	9,748,827
Other Industries (a)	15,406,670			15,406,670
OTHER				
Aerospace	728,484	7,484		735,968
Other Industries (a)	3,300,708			3,300,708
Total Common Stocks	213,346,313	13,584	0	213,359,897
Convertible Preferred Stocks (a)	2,313,340			2,313,340
Warrants:				
ENERGY AND UTILITIES				
Energy and Utilities: Merchant Energy			183	183
COMMUNICATIONS				
Wireless Communications		128,415		128,415
Total Warrants		128,415	183	128,598
Convertible Corporate Bonds		119,500		119,500
U.S. Government Obligations		3,392,278		3,392,278
TOTAL INVESTMENTS IN SECURITIES ASSETS	\$ 215,659,653	\$ 3,653,777	\$ 183	\$ 219,313,613
OTHER FINANCIAL INSTRUMENTS:				
ASSETS (Unrealized Appreciation): *				

EQUITY CONTRACT:

Contract for Difference Swap Agreement	\$	\$	7	\$	\$	7
--	----	----	---	----	----	---

LIABILITIES (Unrealized

Depreciation): *

EQUITY CONTRACT:

Contract for Difference Swap Agreement			(644)			(644)
--	--	--	-------	--	--	-------

TOTAL OTHER FINANCIAL

INSTRUMENTS	\$	\$	(637)	\$	\$	(637)
--------------------	----	----	-------	----	----	-------

(a) 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 futures, forwards, and swaps, which are valued at the unrealized appreciation/depreciation of the instrument.

The Fund did not have significant transfers between Level 1 and Level 2 during the reporting period.

The following table reconciles Level 3 investments for which significant unobservable inputs were used to determine fair value:

												Net change in unrealized appreciation/ depreciation during the period on Level 3 investments held
	Balance	Accrued	Realized	unrealized	Net	Transfers	Transfers	Balance				
	as of	discounts/	gain/	appreciation/	purchases/	into	out	as of				
	12/31/09	premiums	(loss)	depreciation	(sales)	Level 3	of	12/31/10				at 12/31/10
							Level					
							3					

INVESTMENTS IN

SECURITIES:

ASSETS (Market

Value):

Common Stocks:

ENERGY AND

UTILITIES

Energy and Utilities:

Merchant Energy	\$	0	\$	\$	\$	\$	\$	\$	0	\$
-----------------	----	---	----	----	----	----	----	----	---	----

COMMUNICATIONS

Telecommunications		0							0	
--------------------	--	---	--	--	--	--	--	--	---	--

Total Common Stocks		0							0	
---------------------	--	---	--	--	--	--	--	--	---	--

Warrants:

ENERGY AND

UTILITIES

Energy and Utilities:

Merchant Energy				(12,348)		12,531		183		(12,348)
-----------------	--	--	--	----------	--	--------	--	-----	--	----------

TOTAL INVESTMENTS IN SECURITIES	\$	0	\$		\$	(12,348)	\$	12,531	\$	183	\$	(12,348)
--	----	---	----	--	----	----------	----	--------	----	-----	----	----------

Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

The Fund's policy is to recognize transfers into and transfers out of Level 3 as of the beginning of the reporting period.

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

In January 2010, the Financial Accounting Standards Board (FASB) issued amended guidance to improve disclosure about fair value measurements which requires additional disclosures about transfers between Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements in the reconciliation of fair value measurements using significant unobservable inputs (Level 3). FASB also clarified existing disclosure requirements relating to the levels of disaggregation of fair value measurement and inputs and valuation techniques used to measure fair value. The amended guidance is effective for financial statements for fiscal years beginning after December 15, 2009 and interim periods within those fiscal years. Management has adopted the amended guidance and determined that there was no material impact to the Fund's financial statements except for additional disclosures made in the notes. Disclosures about purchases, sales, issuances, and settlements in the rollforward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Management is currently evaluating the impact of the additional disclosure requirements on the Fund's financial statements.

Derivative Financial Instruments.

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of hedging or protecting its exposure to interest rate movements and movements in the securities markets, 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 that, 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.

The Fund's derivative contracts held at December 31, 2010, if any, are not accounted for as hedging instruments under GAAP.

Swap Agreements. The Fund may enter into equity contract for difference and interest rate swap or cap transactions for the purpose of hedging or protecting its exposure to interest rate movements and movements in the securities markets. 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 an interest rate swap, the Fund would agree to pay periodically to the other party (which is known as the counterparty) a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on the Series B Auction Rate Cumulative Preferred Stock (Series B Stock). In an interest rate cap, the Fund would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from that counterparty payments of the difference based on the notional amount of such cap. Swaps and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred stock dividends when due in accordance with the Statement of Preferences even if the counterparty defaulted. In an equity contract for difference swap, 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 a 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.

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in the value of swaps, including the accrual of periodic amounts of interest to be received or paid on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon receipt or payment of a periodic payment or termination of swap agreements. The Fund held an interest rate swap agreement through June 2, 2010, with an average monthly notional amount of approximately \$25,000,000. At December 31, 2010, the Fund held no investments in interest rate swap agreements. The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swaps at December 31, 2010 are reflected within the Schedule of Investments and further details are as follows:

Notional Amount	Equity Security Received	Interest Rate/ Equity Security Paid	Termination Date	Net Unrealized Appreciation/ Depreciation
\$243,378 (25,000 Shares)	Market Value Appreciation on: Rolls-Royce Group plc	One Month LIBOR plus 90 bps plus Market Value Depreciation on: Rolls-Royce Group plc	6/27/11	\$ (644)
2,486 (1,600,000 Shares)	Rolls-Royce Group plc, Cl. C	Rolls-Royce Group plc, Cl. C	6/27/11	7
				\$ (637)

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

The Fund's volume of activity in equity contract for difference swap agreements during the year ended December 31, 2010 had an average monthly notional amount of approximately \$223,935.

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. 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. During the year ended December 31, 2010, the Fund held no investments in futures contracts.

Forward Foreign Exchange Contracts. The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange 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 should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. During the year ended December 31, 2010, the Fund held no investments in forward foreign exchange contracts.

Fair Values of Derivative Instruments as of December 31, 2010:

The following table presents the value of derivatives held as of December 31, 2010, by their primary underlying risk exposure and respective location on the Statement of Assets and Liabilities:

Derivative Contracts	Statement of Assets and Liabilities Location	Fair Value
Assets:		
Equity Contracts	Assets, Unrealized appreciation on swap contracts	\$ 7
Liabilities:		
Equity Contracts	Liabilities, Unrealized depreciation on swap contracts	(644)
Total		\$ (637)

Effect of Derivative Instruments on the Statement of Operations during the Year Ended December 31, 2010:

The following table presents the effect of derivatives on the Statement of Operations during the year ended December 31, 2010, by primary risk exposure:

Change in Unrealized

Derivative Contracts	Realized Gain or (Loss) on Derivatives Recognized in Income	Appreciation or Depreciation on Derivatives Recognized in Income
Equity Contracts	\$ 44,505	\$ 3,529
Interest Rate Contracts	(475,073)	457,437
Total	\$ (430,568)	\$ 460,966

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

the Fund to receive and maintain securities as collateral whose market value is not less than repurchase price. The Fund 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 Fund may be delayed or limited. At December 31, 2010, the Fund held no investments in repurchase agreements.

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 the 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 those of 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.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. 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 equal to 110% of the 90 day Treasury Bill rate on outstanding balances. This amount, if any, would be included in interest expense in the Statement of Operations. There were no custodian fee credits earned during the year ended December 31, 2010.

Distributions to Shareholders. Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders 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 tax treatment of swap gains/losses. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2010, reclassifications were made to decrease accumulated net investment income by \$430,793 and to decrease accumulated net realized loss on investments, swap contracts, and foreign currency transactions by \$431,347, with an offsetting adjustment to paid-in capital.

Distributions sourced from paid-in capital should not be considered dividend yield or total return from an investment in the Fund.

Distributions to shareholders of the Fund's 5.625% Series A Cumulative Preferred Shares and Series B Auction Market Cumulative Preferred Shares (Cumulative Preferred Shares) are recorded on a daily basis and are determined as described in Note 5.

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

The tax character of distributions paid during the years ended December 31, 2010 and December 31, 2009 was as follows:

	Year Ended December 31, 2010		Year Ended December 31, 2009	
	Common	Preferred	Common	Preferred
Distributions paid from:				
Ordinary income	\$ 2,428,970	\$ 1,970,625	\$ 2,413,479	\$ 1,965,939
Return of capital	20,001,660		19,676,599	
Total distributions paid	\$ 22,430,630	\$ 1,970,625	\$ 22,090,078	\$ 1,965,939

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, 2010, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforwards	\$ (2,489,944)
Net unrealized appreciation on investments, swap contracts, and foreign currency transactions	37,283,034
Other temporary differences*	(29,421)
Total	\$ 34,763,669

* Other temporary differences are primarily due adjustments on preferred share class distribution payables, income from investments in hybrid securities, and mark-to-market and accrual adjustments on investments in swap contracts.

At December 31, 2010, the Fund had net capital loss carryforwards for federal income tax purposes of \$2,489,944 which are available to reduce future required distributions of net capital gains to shareholders. \$890,229 of the loss carryforward is available through 2017; and \$1,599,715 is available through 2018.

At December 31, 2010, the temporary difference between book basis and tax basis net unrealized appreciation on investments was primarily due to deferral of losses from wash sales for tax purposes, mark-to-market adjustments on investments in passive foreign investment companies, and basis adjustments on investments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2010:

	Gross Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments	\$ 182,030,478	\$ 46,073,825	\$ (8,790,690)	\$ 37,283,135

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. For the year

ended December 31, 2010, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2010, 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. Tax years ended December 31, 2007 through December 31, 2010 remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Agreements and Transactions with Affiliates. 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 its average weekly net assets including the liquidation value of the 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 Cumulative Preferred Shares 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 or corresponding swap rate of the Cumulative Preferred Shares 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 or corresponding swap rate of each particular series of Cumulative Preferred Shares for the period. For the year ended December 31, 2010, the Fund's total return on the NAV of the common shares exceeded the stated dividend rate or corresponding swap of the outstanding Preferred Shares. Thus, advisory fees were accrued on these assets.

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2010, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities, and the Adviser reduced its fee with respect to such securities by \$23,333.

During the year ended December 31, 2010, the Fund paid brokerage commissions on security trades of \$25,977 to Gabelli & Company, Inc. (Gabelli & Co.), 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. During the year ended December 31, 2010, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser) and pays its allocated portion of the cost of the Fund's Chief Compliance Officer. For the year ended December 31, 2010, the Fund paid or accrued \$134,150 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$6,000 plus \$500 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended, the Audit Committee Chairman receives an annual fee of \$3,000, the Nominating Committee Chairman receives an annual fee of \$2,000, and the Lead Trustee receives an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Portfolio Securities. Purchases and sales of securities for the year ended December 31, 2010, other than short-term securities and U.S. Government obligations, aggregated \$2,058,357 and \$19,922,212, respectively.

Sales of U.S. Government obligations for the year ended December 31, 2010, other than short-term obligations, aggregated \$117,205.

5. Capital. The Fund is authorized to issue an unlimited number of shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its common shares on the open market when the shares are trading 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, 2010 and the year ended December 31, 2009, the Fund did not repurchase any common shares of beneficial interest in the open market.

Transactions in shares of beneficial interest were as follows:

	Year Ended		Year Ended	
	December 31, 2010		December 31, 2009	
	Shares	Amount	Shares	Amount
Net increase from shares issued upon reinvestment of distributions	486,077	\$ 3,365,431	515,887	\$ 3,328,163

A shelf registration authorizing the offering of preferred shares was declared effective by the SEC on June 13, 2008.

The Fund is authorized to issue up to 2,005,000 shares of \$0.001 par value Cumulative Preferred Shares. The Cumulative Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Cumulative Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statement of Preferences to meet certain asset coverage tests with respect to the Cumulative Preferred Shares. 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 5.625% Series A and Series B Auction Market Cumulative Preferred Shares at a redemption price of \$25.00 and

\$25,000, 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 shareholders 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 shareholders.

On July 31, 2003, the Fund received net proceeds of \$28,895,026 (after underwriting discounts of \$945,000 and offering expenses of \$159,974) from the public offering of 1,200,000 shares of 5.625% Series A Cumulative Preferred Shares. Commencing July 31, 2008 and thereafter, the Fund, at its option, may redeem the 5.625% Series A Cumulative Preferred Shares in whole or in part at the redemption price at any time. During the year ended December 31, 2010, the Fund did not repurchase any shares of 5.625% Series A Cumulative Preferred Shares. At December 31, 2010, 1,153,288 shares of 5.625% Series A Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$22,525.

THE GABELLI UTILITY TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

During the year ended December 31, 2009, the Fund repurchased and retired 19,736 shares of 5.625% Series A Cumulative Preferred Shares in the open market at a cost of \$456,696 and an average discount of approximately 7.48% from its liquidation preference.

On July 31, 2003, the Fund received net proceeds of \$24,590,026 (after underwriting discounts of \$250,000 and offering expenses of \$159,974) from the public offering of 1,000 shares of Series B Shares. The dividend rate, as set by the auction process, which is generally held every seven days, is expected to vary with short-term interest rates. The dividend rates of Series B Shares ranged from 1.458% to 1.581% for the year ended December 31, 2010. Since February 2008, the number of Series B Shares subject to bid orders by potential holders has been less than the number of Series B Shares subject to sell orders. Therefore, the weekly auctions have failed, and the dividend rate since then has been the maximum rate. Holders that have submitted sell orders have not been able to sell any or all of the Series B Shares for which they have submitted sell orders. The current maximum rate is 125% of the seven day Telerate/British Bankers Association LIBOR rate on the day of such auction. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Shareholders of the Series B Shares may also trade their shares in the secondary market. The Fund, at its option, may redeem the Series B Auction Market Cumulative Preferred Shares in whole or in part at the redemption price at any time. There were no redemptions of Series B Shares during the years ended December 31, 2010 and December 31, 2009. At December 31, 2010, 900 shares of Series B Shares were outstanding with an annualized dividend rate of 1.504% per share and accrued dividends amounted to \$2,820.

The holders of Cumulative Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of Cumulative Preferred Shares voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. 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 shares, 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.

6. Industry Concentration. Because the Fund 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. 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.

8. Other Matters. On April 24, 2008, the Adviser entered into a settlement with the SEC to resolve an inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the administrative settlement order, the SEC found that the Adviser had willfully violated Section 206(2) of the 1940 Act, Section 17(d) of the 1940 Act and Rule 17d-1 thereunder, and had willfully aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, paid \$16 million (which included a \$5 million civil monetary penalty), approximately \$12.8 million of which is in the process of being paid to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and acceptable to the staff of the SEC, and agreed to cease and desist from future violations of the above referenced federal securities laws and rule. The SEC order also noted the cooperation that the Adviser had given the staff of the SEC during its inquiry. The settlement did not have a material adverse impact on the Adviser or its ability to fulfill its

obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Fund, the Global Growth Fund, and other funds in the Gabelli/GAMCO fund complex. The officer denied the allegations and is continuing in his positions with the Adviser and the funds. The court dismissed certain claims and found that the SEC was not entitled to pursue various remedies against the officer while leaving one remedy in the event the SEC were able to prove violations of law. The court subsequently dismissed without prejudice the remaining remedy against the officer, which would allow the SEC to appeal the court's rulings. On October 29, 2010 the SEC filed its appeal with the U.S. Court of Appeals for the Second Circuit regarding the lower court's orders. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

9. Subsequent Events. Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

THE GABELLI UTILITY TRUST
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of
The Gabelli Utility Trust:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Utility Trust (hereafter referred to as the Trust) at December 31, 2010, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Trust s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2010 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 28, 2011

THE GABELLI UTILITY TRUST
ADDITIONAL FUND INFORMATION (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Utility Trust 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 Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee ⁴
INTERESTED TRUSTEES³:				
Mario J. Gabelli Trustee and Chief Investment Officer Age: 68	Since 1999***	26	Chairman and Chief Executive Officer 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 Funds 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)
John D. Gabelli Trustee Age: 66	Since 1999**	10	Senior Vice President of Gabelli & Company, Inc.	
INDEPENDENT TRUSTEES⁵:				
Thomas E. Bratter Trustee Age: 71	Since 1999***	3	Director, President, and Founder of The John Dewey Academy (residential college preparatory therapeutic high school)	
Anthony J. Colavita Trustee Age: 75	Since 1999*	34	President of the law firm of Anthony J. Colavita, P.C.	
James P. Conn Trustee Age: 72	Since 1999**	18	Former Managing Director and Chief Investment Officer of Financial Security Assurance	Director of First Republic Bank (banking) through

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

			Holdings Ltd. (insurance holding company) (1992-1998)	January 2008 and LaQuinta Corp. (hotels) through January 2006
Vincent D. Enright Trustee Age: 67	Since 1999***	16	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) and until September 2006, Director of Apton Corporation (pharmaceuticals)
Frank J. Fahrenkopf Jr. Trustee Age: 71	Since 1999*	6	President and Chief Executive Officer of the American Gaming Association; Co-Chairman of the Commission on Presidential Debates; Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking)
Robert J. Morrissey Trustee Age: 71	Since 1999*	6	Partner in the law firm of Morrissey, Hawkins & Lynch	
Anthony R. Pustorino Trustee Age: 85	Since 1999**	13	Certified Public Accountant; Professor Emeritus, Pace University	Director of The LGL Group, Inc. (diversified manufacturing) (2002-2010)
Salvatore J. Zizza Trustee Age: 65	Since 1999*	28	Chairman and Chief Executive Officer of Zizza & Co., Ltd. (private holding company) and Chief Executive Officer of General Employment Enterprises, Inc.	Director of Harbor BioSciences, Inc. (biotechnology); and Trans-Lux Corporation (business services); Chairman of each of BAM (manufacturing); Metropolitan Paper Recycling (recycling); Bergen Cove Realty Inc. (real estate); Bion Environmental Technologies (technology) (2005-2008); Director of Earl

Scheib Inc.
(automotive painting)
through April 2009

THE GABELLI UTILITY TRUST
ADDITIONAL FUND INFORMATION (Continued) (Unaudited)

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert President Age: 59	Since 2003	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director of Teton Advisors, Inc. since 1998; Chairman of Teton Advisors, Inc. 2008 to 2010; President of Teton Advisors, Inc. 1998 through 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Agnes Mullady Treasurer and Secretary Age: 52	Since 2006	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 Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005
David I. Schachter Vice President Age: 57	Since 1999	Vice President of other closed-end funds within the Gabelli Funds complex; Vice President of Gabelli & Company, Inc. since 1999
Peter D. Goldstein Chief Compliance Officer Age: 57	Since 2004	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex

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

² The Fund's Board of Trustees 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 2011 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** Term expires at the Fund's 2012 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*** Term expires at the Fund's 2013 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 Interested person of the Fund as defined in the 1940 Act. Messrs. Gabelli are each considered an interested person because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mario J. Gabelli and John D. Gabelli are brothers.
- ⁴ This column includes only 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.
- ⁵ Trustees who are not interested persons are considered Independent Trustees.

Certifications

The Fund's Chief Executive Officer has certified to the New York Stock Exchange (NYSE) that, as of June 14, 2010, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund reports to the SEC on Form N-CSR which contains certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by Rule 30a-2(a) under the 1940 Act.

THE GABELLI UTILITY TRUST
INCOME TAX INFORMATION (Unaudited)
December 31, 2010

Cash Dividends and Distributions

Payable Date	Record Date	Total Amount Paid Per Share (a)	Ordinary Investment Income (a)	Long-Term Capital Gains (a)	Return of Capital (c)	Dividend Reinvestment Price
Common Shares						
01/22/10	01/14/10	\$ 0.06000	\$ 0.00649		\$ 0.05351	\$ 8.31250
02/19/10	02/11/10	0.06000	0.00649		0.05351	7.82800
03/24/10	03/17/10	0.06000	0.00649		0.05351	7.33400
04/23/10	04/16/10	0.06000	0.00649		0.05351	7.80900
05/24/10	05/17/10	0.06000	0.00649		0.05351	7.43850
06/23/10	06/16/10	0.06000	0.00649		0.05351	7.59050
07/23/10	07/16/10	0.06000	0.00649		0.05351	7.44800
08/24/10	08/17/10	0.06000	0.00649		0.05351	5.70000
09/23/10	09/16/10	0.06000	0.00649		0.05351	5.85200
10/27/10	10/22/10	0.06000	0.00649		0.05351	6.17500
11/22/10	11/15/10	0.06000	0.00649		0.05351	6.46000
12/17/10	12/14/10	0.06000	0.00649		0.05351	5.94700
		\$ 0.72000	\$ 0.07788		\$ 0.64212	
5.625% Series A Cumulative Preferred Shares						
03/26/10	03/19/10	\$ 0.35156	\$ 0.35156			
06/28/10	06/21/10	0.35156	0.35156			
09/27/10	09/20/10	0.35156	0.35156			
12/27/10	12/17/10	0.35156	0.35156			
		\$ 1.40625	\$ 1.40625			

Series B Auction Market Cumulative Preferred Shares

Series B Auction Market Cumulative Preferred Shares pay dividends weekly based on rates set at auction, usually held every seven days.

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2010 tax returns. Ordinary income distributions include net investment income and realized net short-term capital gains. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV.

THE GABELLI UTILITY TRUST
INCOME TAX INFORMATION (Continued) (Unaudited)
December 31, 2010

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

The Fund paid to common and 5.625% Series A Cumulative Preferred shareholders ordinary income dividends of \$0.07788 and \$1.40625 per share, respectively, in 2010. The Fund paid to Series B Auction Market Cumulative Preferred shareholders an ordinary income dividend totaling \$381.65 per share in 2010. For the year ended December 31, 2010, 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 0.00% of the ordinary income distribution was qualified interest income. The percentage of the ordinary income dividends paid by the Fund during 2010 derived from U.S. Government securities was 0.02%. 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 2010. The percentage of U.S. Government securities held as of December 31, 2010 was 1.55%.

Historical Distribution Summary

	Investment Income (b)	Short-Term Capital Gains (b)	Long-Term Capital Gains	Return of Capital (c)	Total Distributions (a)	Adjustment to Cost Basis (d)
Common Shares						
2010	\$ 0.07788			\$ 0.64212	\$ 0.72000	\$ 0.64212
2009	0.07596			0.64404	0.72000	0.64404
2008	0.10716	\$ 0.00360	\$ 0.04212	0.56712	0.72000	0.56712
2007	0.15458	0.03985	0.28795	0.23762	0.72000	0.23762
2006	0.15750	0.03900	0.52350		0.72000	
2005	0.15240	0.02280	0.54480		0.72000	
2004 (g)	0.09348	0.02958	0.00229	0.59465	0.72000	0.59465
2003 (f)	0.08544	0.01128	0.21240	0.41088	0.72000	0.41088
2002 (e)	0.11175	0.00210	0.35900	0.24690	0.72000	0.24690
2001	0.20835	0.33142	0.16023		0.70000	
2000	0.05620	0.14020	0.80360		1.00000	
1999	0.08049	0.00090	0.06861		0.15000	
5.625% Series A Cumulative Preferred Shares						
2010	\$ 1.40625				\$ 1.40625	
2009	1.40625				1.40625	
2008	0.98590	\$ 0.03309	\$ 0.38726		1.40625	
2007	0.44768	0.11663	0.84194		1.40625	
2006	0.30694	0.07589	1.02342		1.40625	
2005	0.29785	0.04494	1.06346		1.40625	
2004	1.04873	0.33179	0.02572		1.40625	
Series B Auction Market Cumulative Preferred Shares						
2010	\$ 381.65000				\$ 381.65000	
2009	388.12000				388.12000	
2008	663.22018	\$ 22.26115	\$ 260.50866		945.99000	
2007	426.72648	111.17336	802.52016		1340.42000	

Edgar Filing: GABELLI UTILITY TRUST - Form N-CSR

2006	266.52830	65.89950	888.68220	1221.11000
2005	177.88970	26.83920	635.15100	839.88000
2004	280.59420	88.77260	6.88340	376.20000

- (a) Total amounts may differ due to rounding.
- (b) Taxable as ordinary income.
- (c) Non-taxable.
- (d) Decrease in cost basis.
- (e) On May 22, 2002, the Fund distributed Rights equivalent to \$0.09 per share based upon full subscription of all issued shares.
- (f) On August 20, 2003, the Fund also distributed Rights equivalent to \$0.18 per share based upon full subscription of all issued shares.
- (g) On October 20, 2004, the Fund also distributed Rights equivalent to \$0.03 per share based upon full subscription of all issued shares.

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 Annual Meeting of The Gabelli Utility Trust's shareholders will be held on Monday, May 16, 2011 at the Greenwich Library in Greenwich, Connecticut.

TRUSTEES AND OFFICERS
THE GABELLI UTILITY TRUST
One Corporate Center, Rye, NY 10580-1422

Trustees

Mario J. Gabelli, CFA

Chairman & Chief Executive Officer,

GAMCO Investors, Inc.

Dr. Thomas E. Bratter

President & Founder, John Dewey Academy

Anthony J. Colavita

President,

Anthony J. Colavita, P.C.

James P. Conn

Former Managing Director &

Chief Investment Officer,

Financial Security Assurance Holdings Ltd.

Vincent D. Enright

Former Senior Vice President &

Chief Financial Officer,

KeySpan Corp.

Frank J. Fahrenkopf, Jr.

President & Chief Executive Officer,

American Gaming Association

John D. Gabelli

Senior Vice President,

Gabelli & Company, Inc.

Robert J. Morrissey

Attorney-at-Law,

Morrissey, Hawkins & Lynch

Anthony R. Pustorino

Certified Public Accountant,

Professor Emeritus, Pace University

Salvatore J. Zizza

Chairman, Zizza & Co., Ltd.

Officers

Bruce N. Alpert

President

Peter D. Goldstein

Chief Compliance Officer

Agnes Mullady

Treasurer & Secretary

David I. Schachter

Vice President & Ombudsman

Investment Adviser

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

Custodian

The Bank of New York Mellon

Counsel

Willkie Farr & Gallagher LLP

Transfer Agent and Registrar

Computershare Trust Company, N.A.

Stock Exchange Listing

		5.625%
	Common	Perferred
NYSE-Symbol:	GUT	GUT PrA
Shares Outstanding:	31,431,985	1,153,288

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading Specialized 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 Specialized 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 XGUTX.

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 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.

**THE GABELLI UTILITY TRUST One Corporate Center, Rye, NY 10580-1422 Phone:
800-GABELLI (800-422-3554) Fax: 914-921-5118 Internet: www.gabelli.com e-mail:
closedend@gabelli.com GUT Q4/2010**

Item 2. Code of Ethics.

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description.
- (d) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

Item 3. Audit Committee Financial Expert.

As of the end of the period covered by the report, the registrant's Board of Trustees has determined that Anthony R. Pustorino is qualified to serve as an audit committee financial expert serving on its audit committee and that he is independent, as defined by Item 3 of Form N-CSR.

Item 4. Principal Accountant Fees and Services.

Audit Fees

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$39,400 for 2009 and \$32,307 for 2010.

Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item are \$5,867
-

for 2009 and \$5,769 for 2010. Audit-related fees represent services provided in the preparation of Preferred Shares Reports.

Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$4,000 for 2009 and \$3,625 for 2010. Tax fees represent tax compliance services provided in connection with the review of the Registrant's tax returns.

All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0 for 2009 and \$0 for 2010.

- (e)(1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X.

Pre-Approval Policies and Procedures. The Audit Committee (Committee) of the registrant is responsible for pre-approving (i) all audit and permissible non-audit services to be provided by the independent registered public accounting firm to the registrant and (ii) all permissible non-audit services to be provided by the independent registered public accounting firm to the Adviser, Gabelli Funds, LLC, and any affiliate of Gabelli Funds, LLC (Gabelli) that provides services to the registrant (a Covered Services Provider) if the independent registered public accounting firm's engagement related directly to the operations and financial reporting of the registrant. The Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairperson of the Committee, and the Chairperson must report to the Committee, at its next regularly scheduled meeting after the Chairperson's pre-approval of such services, his or her decision(s). The Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Committee's pre-approval responsibilities to the other persons (other than Gabelli or the registrant's officers). Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the permissible non-audit services were not recognized by the registrant at the time of the engagement to be non-audit services; and (ii) such services are promptly brought to the attention of the Committee and approved by the Committee or Chairperson prior to the completion of the audit.

- (e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:

(b) 100%

(c) 100%

(d) N/A

- (f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work

performed by persons other than the principal accountant's full-time, permanent employees was 0%.

- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant was \$0 for 2009 and \$0 for 2010.
- (h) The registrant's audit committee of the board of directors has considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Item 5. Audit Committee of Listed registrants.

The registrant has a separately designated audit committee consisting of the following members: Anthony J. Colavita, Vincent D. Enright and Anthony R. Pustorino.

Item 6. Investments.

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.
- (b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The Proxy Voting Policies are attached herewith.

The Voting of Proxies on Behalf of Clients

Rules 204(4)-2 and 204-2 under the Investment Advisers Act of 1940 and Rule 30b1-4 under the Investment Company Act of 1940 require investment advisers to adopt written policies and procedures governing the voting of proxies on behalf of their clients.

These procedures will be used by GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., and Teton Advisors, Inc. (collectively, the Advisers) to determine how to vote proxies relating to portfolio securities held by their clients, including the procedures that the Advisers use when a vote presents a conflict between the interests of the shareholders of an investment company managed by one of the Advisers, on the one hand, and those of the Advisers; the principal underwriter; or any affiliated person of the investment company, the Advisers, or the principal underwriter. These procedures will not apply where the Advisers do not have voting discretion or where the Advisers have agreed to with a client to vote the client s proxies in accordance with specific guidelines or procedures supplied by the client (to the extent permitted by ERISA).

I. Proxy Voting Committee

The Proxy Voting Committee was originally formed in April 1989 for the purpose of formulating guidelines and reviewing proxy statements within the parameters set by the substantive proxy voting guidelines originally published in 1988 and updated periodically, a copy of which are appended as Exhibit A. The Committee will include representatives of Research, Administration, Legal, and the Advisers. Additional or replacement members of the Committee will be nominated by the Chairman and voted upon by the entire Committee.

Meetings are held as needed basis to form views on the manner in which the Advisers should vote proxies on behalf of their clients.

In general, the Director of Proxy Voting Services, using the Proxy Guidelines, recommendations of Institutional Shareholder Corporate Governance Service (ISS), other third-party services and the analysts of Gabelli & Company, Inc., will determine how to vote on each issue. For non-controversial matters, the Director of Proxy Voting Services may vote the proxy if the vote is (1) consistent with the recommendations of the issuer s Board of Directors and not contrary to the Proxy Guidelines; (2) consistent with the recommendations of the issuer s Board of Directors and is a non-controversial issue not covered by the Proxy Guidelines; or (3) the vote is contrary to the recommendations of the Board of Directors but is consistent with the Proxy Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Committee may sign and date the proxy statement indicating how each issue will be voted.

All matters identified by the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department as controversial, taking into account the

recommendations of ISS or other third party services and the analysts of Gabelli & Company, Inc., will be presented to the Proxy Voting Committee. If the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department has identified the matter as one that (1) is controversial; (2) would benefit from deliberation by the Proxy Voting Committee; or (3) may give rise to a conflict of interest between the Advisers and their clients, the Chairman of the Committee will initially determine what vote to recommend that the Advisers should cast and the matter will go before the Committee.

A. Conflicts of Interest.

The Advisers have implemented these proxy voting procedures in order to prevent conflicts of interest from influencing their proxy voting decisions. By following the Proxy Guidelines, as well as the recommendations of ISS, other third-party services and the analysts of Gabelli & Company, the Advisers are able to avoid, wherever possible, the influence of potential conflicts of interest. Nevertheless, circumstances may arise in which one or more of the Advisers are faced with a conflict of interest or the appearance of a conflict of interest in connection with its vote. In general, a conflict of interest may arise when an Adviser knowingly does business with an issuer, and may appear to have a material conflict between its own interests and the interests of the shareholders of an investment company managed by one of the Advisers regarding how the proxy is to be voted. A conflict also may exist when an Adviser has actual knowledge of a material business arrangement between an issuer and an affiliate of the Adviser.

In practical terms, a conflict of interest may arise, for example, when a proxy is voted for a company that is a client of one of the Advisers, such as GAMCO Asset Management Inc. A conflict also may arise when a client of one of the Advisers has made a shareholder proposal in a proxy to be voted upon by one or more of the Advisers. The Director of Proxy Voting Services, together with the Legal Department, will scrutinize all proxies for these or other situations that may give rise to a conflict of interest with respect to the voting of proxies.

B. Operation of Proxy Voting Committee

For matters submitted to the Committee, each member of the Committee will receive, prior to the meeting, a copy of the proxy statement, any relevant third party research, a summary of any views provided by the Chief Investment Officer and any recommendations by Gabelli & Company, Inc. analysts. The Chief Investment Officer or the Gabelli & Company, Inc. analysts may be invited to present their viewpoints. If the Director of Proxy Voting Services or the Legal Department believe that the matter before the committee is one with respect to which a conflict of interest may exist between the Advisers and their clients, counsel will

provide an opinion to the Committee concerning the conflict. If the matter is one in which the interests of the clients of one or more of Advisers may diverge, counsel will so advise and the Committee may make different recommendations as to different clients. For any matters where the recommendation may trigger appraisal rights, counsel will provide an opinion concerning the likely risks and merits of such an appraisal action.

Each matter submitted to the Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Committee, the Chairman of the Committee will cast the deciding vote. The Committee will notify the proxy department of its decisions and the proxies will be voted accordingly.

Although the Proxy Guidelines express the normal preferences for the voting of any shares not covered by a contrary investment guideline provided by the client, the Committee is not bound by the preferences set forth in the Proxy Guidelines and will review each matter on its own merits. Written minutes of all Proxy Voting Committee meetings will be maintained. The Advisers subscribe to ISS, which supplies current information on companies, matters being voted on, regulations, trends in proxy voting and information on corporate governance issues.

If the vote cast either by the analyst or as a result of the deliberations of the Proxy Voting Committee runs contrary to the recommendation of the Board of Directors of the issuer, the matter will be referred to legal counsel to determine whether an amendment to the most recently filed Schedule 13D is appropriate.

II. Social Issues and Other Client Guidelines

If a client has provided special instructions relating to the voting of proxies, they should be noted in the client's account file and forwarded to the proxy department. This is the responsibility of the investment professional or sales assistant for the client. In accordance with Department of Labor guidelines, the Advisers' policy is to vote on behalf of ERISA accounts in the best interest of the plan participants with regard to social issues that carry an economic impact. Where an account is not governed by ERISA, the Advisers will vote shares held on behalf of the client in a manner consistent with any individual investment/voting guidelines provided by the client. Otherwise the Advisers will abstain with respect to those shares.

III. Client Retention of Voting Rights

If a client chooses to retain the right to vote proxies or if there is any change in voting authority, the following should be notified by the investment professional or sales assistant for the client.

- Operations
- Legal Department

- Proxy Department
- Investment professional assigned to the account

In the event that the Board of Directors (or a Committee thereof) of one or more of the investment companies managed by one of the Advisers has retained direct voting control over any security, the Proxy Voting Department will provide each Board Member (or Committee member) with a copy of the proxy statement together with any other relevant information including recommendations of ISS or other third-party services.

IV. Voting Records

The Proxy Voting Department will retain a record of matters voted upon by the Advisers for their clients. The Advisers will supply information on how an account voted its proxies upon request.

A letter is sent to the custodians for all clients for which the Advisers have voting responsibility instructing them to forward all proxy materials to:

[Adviser name]

Attn: Proxy Voting Department

One Corporate Center

Rye, New York 10580-1433

The sales assistant sends the letters to the custodians along with the trading/DTC instructions. Proxy voting records will be retained in compliance with Rule 204-2 under the Investment Advisers Act.

V. Voting Procedures

1. Custodian banks, outside brokerage firms and clearing firms are responsible for forwarding proxies directly to the Advisers.

Proxies are received in one of two forms:

Shareholder Vote Authorization Forms (VAFs) Issued by Broadridge Financial Solutions, Inc. (Broadridge) VAFs must be voted through the issuing institution causing a time lag. Broadridge is an outside service contracted by the various institutions to issue proxy materials.

Proxy cards which may be voted directly.

2. Upon receipt of the proxy, the number of shares each form represents is logged into the proxy system according to security.

3. In the case of a discrepancy such as an incorrect number of shares, an improperly signed or dated card, wrong class of security, etc., the issuing custodian is notified by phone. A corrected proxy is requested. Any arrangements are made to insure that a

proper proxy is received in time to be voted (overnight delivery, fax, etc.). When securities are out on loan on record date, the custodian is requested to supply written verification.

4. Upon receipt of instructions from the proxy committee (see Administrative), the votes are cast and recorded for each account on an individual basis.

Records have been maintained on the Proxy Edge system. The system is backed up regularly.

Proxy Edge records include:

- Security Name and Cusip Number

- Date and Type of Meeting (Annual, Special, Contest)

- Client Name

- Adviser or Fund Account Number

- Directors Recommendation

- How GAMCO voted for the client on each issue

5. VAFs are kept alphabetically by security. Records for the current proxy season are located in the Proxy Voting Department office. In preparation for the upcoming season, files are transferred to an offsite storage facility during January/February.

6. Shareholder Vote Authorization Forms issued by Broadridge are always sent directly to a specific individual at Broadridge.

7. If a proxy card or VAF is received too late to be voted in the conventional matter, every attempt is made to vote on one of the following manners: