

Gabelli Healthcare & WellnessRx Trust  
Form N-CSRS  
September 07, 2012

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 811-22021

The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Agnes Mullady

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: June 30, 2012

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

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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 Healthcare & Wellness<sup>Rx</sup> Trust

## Semiannual Report June 30, 2012

Mario J. Gabelli, CFA

Kevin V. Dreyer

Jeffrey J. Jonas, CFA

To Our Shareholders,

For the six months ended June 30, 2012, the net asset value ( NAV ) total return of The Gabelli Healthcare & WellnessRx Trust (the Fund ) was 16.4%, compared with a total return of 11.0% for the Standard & Poor's ( S&P ) 500 Health Care Index. The total return for the Fund's publicly traded shares was 19.0%. The Fund's NAV per share was \$9.80, while the price of the publicly traded shares closed at \$8.39 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

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

### Comparative Results

#### Average Annual Returns through June 30, 2012 (a) (Unaudited)

	Year to Date	1 Year	3 Year	5 Year	Since Inception (06/28/07)
<b>Gabelli Healthcare &amp; Wellness<sup>Rx</sup> Trust</b>					
NAV Total Return (b).	16.39%	9.21%	17.63%	6.35%	6.33%
Investment Total Return (c).	18.95	9.87	21.01	2.82	2.69
S&P 500 Health Care Index.	10.97	9.80	15.43	3.74	3.65
S&P 500 Index.	9.49	5.45	16.40	0.22	0.22(d)
S&P 500 Consumer Staples Index.	8.57	14.69	18.21	8.35	8.33

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The S&P 500 Health Care Index is an unmanaged indicator of health care equipment and services, pharmaceuticals, biotechnology, and life sciences stock performance. The S&P 500 Index is an unmanaged indicator of stock market performance. The S&P 500 Consumer Staples Index is an unmanaged indicator of food and staples retailing, food, beverage and tobacco, and household and personal products stock performance. 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 and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$8.00.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE and reinvestment of distributions. Since inception return is based on an initial offering price of \$8.00.
- (d) From June 30, 2007, the date closest to the Fund's inception for which data is available.

**Summary of Portfolio Holdings (Unaudited)**

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

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

Food	26.1%
Health Care Equipment and Supplies	15.2%
Pharmaceuticals	14.0%
Health Care Providers and Services	13.8%
Food and Staples Retailing	9.8%
Beverages	9.5%
U.S. Government Obligations	6.4%
Aerospace and Defense	1.4%
Computer Software and Services	1.3%
Biotechnology	1.0%
Consumer Services and Supplies	0.5%
Specialty Chemicals	0.4%
Household and Personal Products	0.2%
Hotels and Gaming	0.2%
Health Care	0.1%
Diversified Industrial	0.1%
	100.0%

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

**Proxy Voting**

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

**Shareholder Meeting May 14, 2012 Final Results**

The Fund's Annual Meeting of Shareholders was held on May 14, 2012 at the Greenwich Library in Greenwich, Connecticut. At that meeting, common and preferred shareholders, voting together as a single class, elected Robert C. Kolodny and Salvatore J. Zizza as Trustees of the Fund. A total of 10,138,465 votes and 10,127,833 votes were cast in favor of these Trustees and a total of 825,906 votes and 836,537 votes were withheld for these Trustees, respectively. In addition, preferred shareholders, voting as a separate class, elected Anthony J. Colavita as a Trustee of the Fund. A total of 1,144,605 votes were cast in favor of this Trustee and a total of 8,832 votes were withheld for this Trustee.

Mario J. Gabelli, CFA, James P. Conn, Vincent D. Enright, and Anthonie C. van Ekris continue to serve in their capacities as Trustees of the Fund.

We thank you for your participation and appreciate your continued support.

On August 15, 2012 the Board of Trustees of the Fund appointed Kuni Nakamura as a Trustee of the Fund.



**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Schedule of Investments June 30, 2012 (Unaudited)**

		Market
Shares		Value
<b>COMMON STOCKS 93.5%</b>		
<b>Aerospace and Defense 1.4%</b>		
15,000	Goodrich Corp.	\$ 1,837,874
		\$ 1,903,500
<b>Beverages 9.5%</b>		
150,000	DE Master Blenders 1753 NV	1,419,198
45,000	Dr Pepper Snapple Group Inc.	1,287,601
56,000	ITO EN Ltd.	1,049,246
20,000	Mead Johnson Nutrition Co.	1,071,758
15,000	Morinaga Milk Industry Co. Ltd.	48,287
400,000	Parmalat SpA	1,096,287
20,000	Peet's Coffee & Tea Inc.	871,195
30,000	PepsiCo Inc.	1,903,267
30,000	The Coca-Cola Co.	1,666,457
424,000	Vitasoy International Holdings Ltd.	253,570
		10,666,866
		13,150,043
<b>Biotechnology 1.0%</b>		
54,700	3SBio Inc., ADR	590,885
10,000	Acorda Therapeutics Inc.	235,298
224,000	NeoGenomics Inc.	355,548
		1,181,731
		1,363,055
<b>Computer Software and Services 1.3%</b>		
70,000	Computer Task Group Inc.	901,829
100,000	eResearchTechnology Inc.	712,543
		1,614,372
		1,848,300
<b>Consumer Services and Supplies 0.5%</b>		
15,000	Weight Watchers International Inc.	448,019
		773,400
<b>Diversified Industrial 0.1%</b>		
10,000	LeCroy Corp.	142,150
		142,600
<b>Food 26.1%</b>		
10,000	Campbell Soup Co.	331,113
35,000	Danone	2,102,063
25,000	Dean Foods Co.	330,600
45,000	Flowers Foods Inc.	657,458
60,000	General Mills Inc.	1,870,784
20,000	H.J. Heinz Co.	855,165
30,000	Hillshire Brands Co.	764,184
65,000	Inventure Foods Inc.	262,878
38,000	Kellogg Co.	1,916,431
29,000	Kerry Group plc, Cl. A	954,025
		1,266,135

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140,000	Kikkoman Corp.	1,588,067	1,723,400
65,000	Kraft Foods Inc., Cl. A	2,092,995	2,510,300
84,000	Lifeway Foods Inc.	840,972	871,080
10,000	MEIJI Holdings Co. Ltd.	433,330	457,247
61,000	Nestlé SA	2,868,674	3,634,357
10,000	Post Holdings Inc.	227,782	307,500
35,000	Ralcorp Holdings Inc.	2,359,980	2,335,900
			<b>Market</b>
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
6,000	Rock Field Co. Ltd.	\$ 81,896	\$ 112,892
90,000	Smart Balance Inc.	420,857	845,100
55,000	Snyders-Lance Inc	1,075,409	1,387,650
61,000	The Hain Celestial Group Inc.	1,416,911	3,357,440
24,000	The J.M. Smucker Co.	1,307,314	1,812,480
110,000	Tingyi (Cayman Islands) Holding Corp.	176,608	281,028
60,000	Unilever plc, ADR	1,850,196	2,023,800
70,000	Yakult Honsha Co. Ltd.	1,848,639	2,732,220
		28,634,331	36,188,170
	<b>Food and Staples Retailing 9.8%</b>		
82,000	CVS Caremark Corp.	2,780,246	3,831,860
10,000	GNC Holdings, Inc., Cl. A	310,356	392,000
30,000	Ingles Markets Inc., Cl. A	454,430	480,900
15,000	Safeway Inc.	319,188	272,250
40,000	The Kroger Co.	852,218	927,600
40,000	United Natural Foods Inc.	1,339,920	2,194,400
6,000	Vitamin Shoppe, Inc.	240,769	329,580
40,000	Walgreen Co.	1,311,835	1,183,200
42,000	Whole Foods Market Inc.	1,077,597	4,003,440
		8,686,559	13,615,230
	<b>Health Care Equipment and Supplies 15.2%</b>		
10,000	Baxter International Inc.	493,461	531,500
16,500	Becton, Dickinson and Co.	1,262,703	1,233,375
43,000	Boston Scientific Corp.	343,298	243,810
46,000	Covidien plc.	1,905,102	2,461,000
37,900	Cutera Inc. .	393,611	272,690
5,000	Exactech Inc.	89,295	83,850
30,000	Gerresheimer AG	1,327,264	1,408,125
20,000	Greatbatch Inc.	401,189	454,200
9,400	Henry Schein Inc.	418,608	737,806
15,000	Hologic Inc.	242,713	270,600
3,000	Hospira Inc.	102,566	104,940
30,500	ICU Medical Inc.	1,215,130	1,628,090
12,000	IRIS International Inc.	111,243	135,600
7,000	MAKO Surgical Corp.	189,953	179,270
500	Medtronic Inc.	17,170	19,365
550,000	Northstar Neuroscience Inc. (a)	0	8,250
112,470	Oridion Systems Ltd.	1,437,739	2,600,976
35,000	Orthofix International NV	1,184,835	1,443,750
14,000	Palomar Medical Technologies Inc.	167,581	119,000
45,000	Q-Med AB, Escrow (a)	0	0
78,000	Rochester Medical Corp.	774,150	839,280
50,000	St. Jude Medical Inc.	2,029,181	1,995,500
20,000	Stryker Corp.	1,026,506	1,102,000
21,300	SurModics Inc.	213,121	368,490
20,000	The Cooper Companies Inc.	1,408,222	1,595,200
53,000	Vascular Solutions Inc.	487,180	665,680

See accompanying notes to financial statements.





**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Schedule of Investments (Continued) June 30, 2012 (Unaudited)**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Health Care Equipment and Supplies (Continued)</b>			
10,000	Zimmer Holdings Inc.	\$ 560,785	\$ 643,600
		17,802,606	21,145,947
<b>Health Care Providers and Services 13.8%</b>			
334,700	Adcare Health Systems Inc.	1,250,967	1,231,696
20,000	Aetna Inc.	846,240	775,400
50,000	AmerisourceBergen Corp.	1,476,790	1,967,500
30,000	Chemed Corp.	1,605,096	1,813,200
30,000	Cigna Corp.	1,113,675	1,320,000
48,350	Express Scripts Holding Co.	2,349,810	2,699,380
25,000	Gentiva Health Services Inc.	245,883	173,250
20,000	HCA Holdings Inc.	620,625	608,600
23,000	McKesson Corp.	1,524,173	2,156,250
270,000	Metropolitan Health Networks Inc.	1,348,676	2,583,900
20,250	Owens & Minor Inc.	501,559	620,257
150,000	Tenet Healthcare Corp.	924,625	786,000
26,000	UnitedHealth Group Inc.	987,953	1,521,000
55,000	Universal American Corp.	567,997	579,150
20,000	WuXi PharmaTech Cayman Inc., ADR	271,142	282,400
		15,635,211	19,117,983
<b>Hotels and Gaming 0.2%</b>			
7,000	Gaylord Entertainment Co.	156,474	269,920
<b>Household and Personal Products 0.2%</b>			
17,000	Avon Products Inc.	356,613	275,570
<b>Pharmaceuticals 14.0%</b>			
40,000	Abbott Laboratories	2,020,318	2,578,800
1,000	Allergan Inc.	70,890	92,570
75,000	Bristol-Myers Squibb Co.	2,202,167	2,696,250
40,000	Endo Health Solutions Inc.	1,410,649	1,239,200
43,000	Johnson & Johnson	2,559,340	2,905,080
49,000	Merck & Co. Inc.	1,609,383	2,045,750
60,000	Mylan Inc.	946,511	1,282,200
400	Onyx Pharmaceuticals Inc.	16,364	26,580
49,000	Par Pharmaceutical Companies Inc.	1,556,376	1,770,860
50,000	Pfizer Inc.	936,615	1,150,000
6,000	Roche Holding AG, ADR.	250,095	259,320
20,000	Teva Pharmaceutical Industries Ltd., ADR.	964,108	788,800
35,000	Watson Pharmaceuticals Inc.	1,866,732	2,589,650
		16,409,548	19,425,060
<b>Specialty Chemicals 0.4%</b>			

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10,000 FMC Corp. 393,194 534,800

**TOTAL COMMON STOCKS** 103,965,548 129,753,578

		<b>Market</b>	
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
<b>RIGHTS 0.1%</b>			
<b>Health Care 0.1%</b>			
40,000	American Medical Alert Corp. (a)	\$ 0	\$ 400
110,000	Sanofi, CVR, expire 12/31/20	192,666	155,100
<b>TOTAL RIGHTS</b>		192,666	155,500

<b>Principal Amount</b>			
<b>U.S. GOVERNMENT OBLIGATIONS 6.4%</b>			
\$8,845,000	U.S. Treasury Bills, 0.095% to 0.150% , 07/19/12 to 12/27/12	8,841,764	8,842,153
<b>TOTAL INVESTMENTS 100.0%</b>		\$ 112,999,978	138,751,231

**Other Assets and Liabilities (Net)** 1,222,355

**PREFERRED STOCK**  
(1,200,000 preferred shares outstanding) (30,000,000)

**NET ASSETS COMMON STOCK**  
(11,217,460 common shares outstanding) \$ 109,973,586

**NET ASSET VALUE PER COMMON SHARE**  
(\$109,973,586 ÷ 11,217,460 shares outstanding) \$ 9.80

(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 June 30, 2012, the market value of fair valued securities amounted to \$8,650 or 0.01% of total investments.

Non-income producing security.

Represents annualized yield at date of purchase.

ADR American Depositary Receipt

CVR Contingent Value Right

<b>Geographic Diversification</b>	<b>% of Market Value</b>	<b>Market Value</b>
North America	79.5%	\$ 110,298,232
Europe	13.9	19,216,222
Japan	4.4	6,128,242
Asia/Pacific	1.2	1,664,785
Latin America	1.0	1,443,750
Total Investments	100.0%	\$ 138,751,231

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See accompanying notes to financial statements.

## The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust

### Statement of Assets and Liabilities

June 30, 2012 (Unaudited)

<b>Assets:</b>	
Investments, at value (cost \$112,999,978)	\$ 138,751,231
Cash	3,422
Receivable for investments sold	816,757
Dividends receivable	680,378
Deferred offering expense	92,439
Prepaid expenses	1,948
<b>Total Assets</b>	<b>140,346,175</b>
<b>Liabilities:</b>	
Distributions payable	28,800
Payable for investments purchased	44,573
Payable for investment advisory fees	111,939
Payable for payroll expenses	47,470
Payable for accounting fees	3,750
Payable for shareholder communications expenses	99,092
Other accrued expenses	36,965
<b>Total Liabilities</b>	<b>372,589</b>
<b>Preferred Shares:</b>	
Series A Cumulative Preferred Shares (5.760%, \$25 liquidation value, \$0.001 par value, 1,200,000 shares authorized, issued, and outstanding)	30,000,000
<b>Net Assets Attributable to Common Shareholders</b>	<b>\$ 109,973,586</b>
<b>Net Assets Attributable to Common Shareholders Consist of:</b>	
Paid-in capital	\$ 81,394,594
Accumulated net investment income	511,833
Accumulated net realized gain on investments and foreign currency transactions	2,315,924
Net unrealized appreciation on investments	25,751,253
Net unrealized depreciation on foreign currency translations	(18)
<b>Net Assets</b>	<b>\$ 109,973,586</b>
<b>Net Asset Value per Common Share:</b>	
(\$109,973,586 ÷ 11,217,460 shares outstanding at \$0.001 par value; unlimited number of shares authorized)	\$9.80

### Statement of Operations

For the Six Months Ended June 30, 2012 (Unaudited)

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$14,041)	\$ 1,573,192
Interest	3,410
<b>Total Investment Income</b>	<b>1,576,602</b>

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<b>Expenses:</b>	
Investment advisory fees	671,909
Shareholder communications expenses	148,564
Payroll expenses	57,820
Shareholder services fees	36,383
Trustees fees	29,864
Accounting fees	22,500
Legal and audit fees	21,774
Custodian fees	6,708
Miscellaneous expenses	29,436
<b>Total Expenses</b>	<b>1,024,958</b>
<b>Net Investment Income</b>	<b>551,644</b>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>	
Net realized gain on investments	4,838,672
Net realized gain on foreign currency transactions	2,158
Net realized gain on investments and foreign currency transactions	4,840,830
Net change in unrealized appreciation/depreciation:	
on investments	11,093,184
on foreign currency translations	(1,164)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	11,092,020
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b>	<b>15,932,850</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>16,484,494</b>
Total Distributions to Preferred Shareholders	(868,800)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>\$ 15,615,694</b>

See accompanying notes to financial statements.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Statement of Changes in Net Assets**

	<b>Six Months Ended June 30, 2012 (Unaudited)</b>	<b>Year Ended December 31, 2011</b>
<b>Operations:</b>		
Net investment income/(loss)	\$ 551,644	\$ (392,119)
Net realized gain on investments and foreign currency transactions	4,840,830	3,929,212
Net change in unrealized appreciation on investments and foreign currency translations	11,092,020	4,567,847
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>16,484,494</b>	<b>8,104,940</b>
<b>Distributions to Preferred Shareholders:</b>		
Net investment income	(17,376)*	
Net realized long-term gain	(851,424)*	(1,728,000)
<b>Total Distributions to Preferred Shareholders.</b>	<b>(868,800)</b>	<b>(1,728,000)</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>15,615,694</b>	<b>6,376,940</b>
<b>Distributions to Common Shareholders:</b>		
Net investment Income	(22,435)*	
Net realized long-term gain.	(1,099,311)*	
<b>Total Distributions to Common Shareholders</b>	<b>(1,121,746)</b>	
<b>Fund Share Transactions:</b>		
Net increase in net assets from common shares issued in rights offering		18,262,221
Net decrease from repurchase of common shares	(98,464)	(77,575)
Offering costs for common shares charged to paid-in capital	1,987	(423,803)
Offering costs for preferred shares charged to paid-in capital		(1,488)
<b>Net Increase/(Decrease) in Net Assets from Fund Share Transactions</b>	<b>(96,477)</b>	<b>17,759,355</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders</b>	<b>14,397,471</b>	<b>24,136,295</b>
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of period	95,576,115	71,439,820
End of period (including undistributed net investment income of \$511,833 and \$0, respectively)	\$ 109,973,586	\$ 95,576,115

\* Based on year to date book income. Amounts are subject to change and recharacterization at year end.

See accompanying notes to financial statements.

## The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust

### Financial Highlights

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

	Six Months Ended June 30, 2012 (Unaudited)	2011	2010	Year Ended December 31,		Period Ended December 31, 2007 (a)
				2009	2008	
<b>Operating Performance:</b>						
Net asset value, beginning of period	\$ 8.51	\$ 8.47	\$ 7.76	\$ 6.21	\$ 8.03	\$ 8.00
Net investment income/(loss)	0.05	0.01	(0.05)	(0.05)	(0.07)	0.02
Net realized and unrealized gain/(loss) on investments, and foreign currency transactions	1.42	0.95	0.98	1.60	(1.70)	0.06
Total from investment operations	1.47	0.96	0.93	1.55	(1.77)	0.08
<b>Distributions to Preferred Shareholders:</b>						
<b>(b)</b>						
Net investment income	(0.00)*(c)		(0.07)			
Net realized short-term/long-term gain	(0.08)*	(0.16)				
Total distributions to preferred shareholders	(0.08)	(0.16)	(0.07)			
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b>						
	1.39	0.80	0.86	1.55	(1.77)	0.08
<b>Distributions to Common Shareholders:</b>						
Net investment income	(0.00)*(c)				(0.01)	(0.01)
Net realized short-term/long-term gain	(0.10)*				(0.04)	(0.04)
Total distributions to common shareholders	(0.10)				(0.05)	(0.05)
<b>Fund Share Transactions:</b>						
Increase/(Decrease) in net asset value from common share transactions	(0.00)(c)	(0.72)	0.01			
Offering costs for preferred shares charged to paid-in capital			(0.16)			
Offering costs for common shares charged to paid-in capital	(0.00)(c)	(0.04)				
Total fund share transactions	(0.00)(c)	(0.76)	(0.15)			
<b>Net Asset Value Attributable to Common Shareholders, End of Period</b>						
	\$ 9.80	\$ 8.51	\$ 8.47	\$ 7.76	\$ 6.21	\$ 8.03
NAV total return	16.39%	8.80%	9.15%	24.96%	(22.03)%	1.00%
Market value, end of period	\$ 8.39	\$ 7.14	\$ 7.08	\$ 6.70	\$ 5.01	\$ 7.09
Investment total return	18.95%	6.68%	5.67%	33.73%	(28.63)%	(10.75)%



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See accompanying notes to financial statements.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Financial Highlights (Continued)**

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

	Six Months	Year Ended December 31,				Period
	Ended June 30, 2012 (Unaudited)	2011	2010	2009	2008	Ended December 31, 2007 (a)
<b>Ratios to Average Net Assets and Supplemental Data:</b>						
Net assets including liquidation value of preferred shares, end of period (in 000 s)	\$139,974	\$125,576	\$101,440			
Net assets attributable to common shares, end of period (in 000 s)	\$109,974	\$ 95,576	\$ 71,440	\$65,750	\$52,622	\$68,069
Ratio of net investment income/(loss) to average net assets attributable to common shares	1.06%(d)	(0.44)%	(0.65)%	(0.72)%	(0.94)%	0.56%(d)
Ratio of operating expenses to average net assets attributable to common shares	1.96%(d)	2.22%	2.11%	2.04%	2.41%	1.97%(d)
Ratio of operating expenses to average net assets including liquidation value of preferred shares	1.53%(d)	1.66%	1.82%			
Portfolio turnover rate	21.2%	66.2%	45.2%	55.7%	122.0%	26.7%
<b>Preferred Shares:</b>						
<b>5.760% Series A Cumulative Preferred Shares</b>						
Liquidation value, end of period (in 000 s)	\$ 30,000	\$ 30,000	\$ 30,000			
Total shares outstanding (in 000 s)	1,200	1,200	1,200			
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00			
Average market value (e)	\$ 27.60	\$ 26.34	\$ 25.35			
Asset coverage per share	\$ 116.64	\$ 104.65	\$ 84.53			
<b>Asset Coverage</b>	<b>467%</b>	<b>419%</b>	<b>338%</b>			

Based on net asset value per share at commencement of operations of \$8.00 per share, adjusted for reinvestment of distributions at the net asset value per share on the ex-dividend dates including the effect of shares issued pursuant to the 2011 rights offering, assuming full subscription by shareholders. Total return for a period of less than one year is not annualized.

Based on market value per share at initial public offering of \$8.00 per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan including the effect of shares issued pursuant to the 2011 rights offering, assuming full subscription by shareholders. Total return for a period of less than one year is not annualized.

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 period ended December 31, 2007 would have been 60.6%.

\* Based on year to date book income. Amounts are subject to change and recharacterization at year end.

- (a) The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust commenced investment operations on June 28, 2007.
- (b) Calculated based upon average common shares outstanding on the record dates throughout the periods.
- (c) Amount represents less than \$0.005 per share.
- (d) Annualized.
- (e) Based on weekly prices.

See accompanying notes to financial statements.



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**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Notes to Financial Statements (Unaudited)**

**1. Organization.** The Gabelli Healthcare & WellnessRx Trust (the Fund) is a non-diversified closed-end management investment company organized as a Delaware statutory trust on February 20, 2007 and registered under the Investment Company Act of 1940 as amended (the 1940 Act). Investment operations commenced on June 28, 2007.

The Fund's investment objective is long-term growth of capital. The Fund will invest at least 80% of its assets, under normal market conditions, in equity securities and income producing securities of domestic and foreign companies in the healthcare and wellness industries. As a result, the Fund may be more susceptible to economic, political, and regulatory developments in this particular sector of the market, positive or negative, and may experience increased volatility to the Fund's NAV and a magnified effect in its total return.

**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.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Notes to Financial Statements (Unaudited) (Continued)**

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).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of June 30, 2012 is as follows:

	Valuation Inputs			Total Market Value at 06/30/12
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
Health Care Equipment and Supplies	\$ 21,137,697		\$8,250	\$ 21,145,947
Other Industries(a)	108,607,631			108,607,631
Total Common Stocks	129,745,328		8,250	129,753,578
Rights(a)	155,100		400	155,500
U.S. Government Obligations		\$8,842,153		8,842,153
<b>TOTAL INVESTMENTS IN SECURITIES ASSETS</b>	<b>\$129,900,428</b>	<b>\$8,842,153</b>	<b>\$8,650</b>	<b>\$138,751,231</b>

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

The Fund did not have transfers between Level 1 and Level 2 during the six months ended June 30, 2012. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

**Additional Information to Evaluate Quantitative Information.**

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

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**Fair Valuation.** Fair valued securities may be common and preferred equities, warrants, options, rights, and fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Notes to Financial Statements (Unaudited) (Continued)**

not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. Among the factors to be considered to fair value a security are recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or 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 June 30, 2012, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

**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 investments and 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. During the six months ended June 30, 2012, the Fund held no investments in forward foreign exchange contracts.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Notes to Financial Statements (Unaudited) (Continued)**

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

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

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

**Restricted Securities.** The Fund may invest without limit in illiquid securities. Illiquid securities include securities the disposition of which is subject to substantial legal or contractual restrictions. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. The Fund held no restricted securities at June 30, 2012.

**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



**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Notes to Financial Statements (Unaudited) (Continued)**

overdraft fee equal to 110% of the 90 day Treasury Bill rate on outstanding balances. This amount, if any, would be included in the Statement of Operations.

**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. These reclassifications have no impact on the NAV of the Fund.

Distributions to shareholders of the Fund's 5.76% Series A Cumulative Preferred Shares (Series A Preferred) are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the year ended December 31, 2011 was as follows:

	<b>Preferred</b>
<b>Distributions paid from:</b>	
Net long-term capital gains	\$ 1,728,000

**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.

As of December 31, 2011, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed long-term capital gains	\$ 73,429
Net unrealized appreciation on investments and foreign currency translations	14,011,615
<b>Total</b>	<b>\$ 14,085,044</b>

Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward for an unlimited period capital losses incurred in years beginning after December 22, 2010. As a result of the rule, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

The following summarizes the tax cost of investments and the related net unrealized appreciation at June 30, 2012:

	<b>Cost</b>	<b>Gross Unrealized Appreciation</b>	<b>Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation</b>
Investments	\$113,565,307	\$27,463,739	\$(2,277,815)	\$25,185,924

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

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**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Notes to Financial Statements (Unaudited) (Continued)**

threshold. For the six months ended June 30, 2012, the Fund did not incur any income tax, interest, or penalties. As of June 30, 2012, 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, 2008 through December 31, 2011 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 the Fund's average weekly net assets including the liquidation value of preferred shares. 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.

During the six months ended June 30, 2012, the Fund paid brokerage commissions on security trades of \$20,643 to Gabelli & Company, Inc., an affiliate of the Adviser.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the six months ended June 30, 2012, the Fund paid or accrued \$22,500 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). For the six months ended June 30, 2012, the Fund accrued \$57,820 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$1,000 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. In addition, 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 during the six months ended June 30, 2012, other than short-term securities and U.S. Government obligations, aggregated \$26,701,795 and \$32,278,068, respectively.

**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 shares on the open market when the shares are trading on the NYSE at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the six months ended June 30, 2012 and the year ended December 31, 2011, the Fund repurchased and retired 12,200 and 11,056 common shares on the open market at a cost of \$98,464 and \$77,575 and an average discount of approximately 15.22%, and 16.67%, respectively, from its NAV.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Notes to Financial Statements (Unaudited) (Continued)**

Transactions in shares of beneficial interest were as follows:

	Six Months Ended June 30, 2012 (Unaudited)		Year Ended December 31, 2011	
	Shares	Amount	Shares	Amount
Shares issued in rights offering			2,809,315	\$ 18,262,221
Net decrease from repurchase of common shares	(12,200)	\$ (98,464)	(11,056)	(77,575)

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Preferred Shares. The 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 Series A Preferred 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 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 Preferred Shares at redemption prices of \$25 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 5.760% rate, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

The Fund filed a \$100 million shelf registration statement with the SEC that went effective June 21, 2010, enabling the Fund to offer additional common and preferred shares.

On August 20, 2010, the Fund received net proceeds of \$28,725,173 (after underwriting discounts of \$945,000 and offering expenses of \$329,827) from the public offering of 1,200,000 shares of Series A Preferred. Commencing August 20, 2015 and at any time thereafter, the Fund, at its option, may redeem the Series A Preferred in whole or in part at the redemption price. The Board has authorized the repurchase of the Series A Preferred in the open market at prices less than the \$25 liquidation value per share. During the six months ended June 30, 2012, the Fund did not repurchase any of the Series A Preferred. At June 30, 2012, 1,200,000 Series A Preferred were outstanding and accrued dividends amounted to \$28,800.

On March 8, 2011, the Fund distributed one transferable right for each of the 8,427,945 shares of common stock outstanding on that date. Three rights were required to purchase one additional share of common stock at the subscription price of \$6.50 per share. On April 12, 2011, the Fund issued 2,809,315 shares of common stock, receiving proceeds of \$18,262,221, prior to the deduction of offering expenses of \$425,291. The NAV per share of the Fund was reduced by approximately \$0.72 per share as a result of the issuance of shares below NAV.

The holders of 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 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. 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,

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**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Notes to Financial Statements (Unaudited) (Continued)**

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 health care, pharmaceuticals, and food and beverage industries, 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 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. Under the terms of the settlement, the Adviser, without admitting or denying the SEC's findings and allegations, paid \$16 million (which included a \$5 million civil monetary penalty). On the same day, the SEC filed a civil action in the U.S. District Court for the Southern District of New York 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, who also is an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO complex, including the Fund, denies the allegations and is continuing in his positions with the Adviser and the funds. The settlement by the Adviser did not have, and the resolution of the action against the officer is not expected to have, a material adverse impact on 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.

**Certifications**

The Fund's Chief Executive Officer has certified to the New York Stock Exchange ( NYSE ) that, as of June 8, 2012, she 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.

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

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## The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust

### Board Consideration and Re-Approval of Investment Advisory Agreements (Unaudited)

Section 15(c) of the Investment Company Act of 1940, as amended (the 1940 Act ), contemplates that the Board of Trustees (the Board ) of The Gabelli Healthcare & WellnessRx Trust (the Fund ), including a majority of the Trustees who have no direct or indirect interest in the Investment Advisory Agreement (the Advisory Agreement ) and are not interested persons of the Fund, as defined in the 1940 Act (the Independent Board Members ), are required to review and approve the terms of the Fund's proposed Advisory Agreement. In this regard, the Board reviewed and approved, during the most recent six month period covered by this report, the Advisory Agreement with Gabelli Funds, LLC (the Adviser ) for the Fund.

More specifically, at a meeting held on February 29, 2012, the Board, including the Independent Board Members, considered the factors and reached the conclusions described below relating to the selection of the Adviser and the approval of the Advisory Agreement.

#### **Nature, Extent, and Quality of Services.**

The Independent Board Members considered information regarding the portfolio managers, the depth of the analyst pool available to the Adviser and the portfolio managers, the scope of administrative, shareholder, and other services supervised or provided by the Adviser and the absence of significant service problems reported to the Board. The Independent Board Members noted the experience, length of service, and reputation of the portfolio managers.

#### **Investment Performance of the Fund and Adviser.**

The Independent Board Members considered one year and three year investment performance for the Fund as compared with relevant equity indices and the performance of other sector equity closed end funds prepared by Lipper, including other funds focused on healthcare or life sciences. The Independent Board Members noted that the Fund's performance was above the median of funds in its peer group for both the prior three year period and the prior one year period. The Independent Board Members also recognized that the performance of many of the funds in the peer group is not necessarily a good comparison for the Fund because of the Fund's unique investment strategy compared to the investment strategies of many funds in the peer group. The Independent Board Members therefore did not place much weight on the peer group comparison and concluded that the Adviser was delivering satisfactory performance results consistent with the investment strategy being pursued by the Fund.

#### **Costs of Services and Profits Realized by the Adviser.**

**(a) Costs of Services to Fund: Fees and Expenses.** The Independent Board Members considered the Fund's management fee rate and expense ratio relative to industry averages for the Fund's peer group category and the advisory fees charged by the Adviser and its affiliates to other fund and non-fund clients. The Independent Board Members noted that the mix of services under the Advisory Agreement is much more extensive than those under the advisory agreements for non-fund clients. The Independent Board Members noted that the investment advisory fee, other expenses, and total expenses paid by the Fund are higher than the median and average for its peer group. They were advised that the above average other and total expenses related to the large number of shareholder accounts and related transfer agency costs. They concluded that the management fee is acceptable based upon the qualifications, experience, reputation, and performance of the Adviser.

#### **(b) Profitability and Costs of Services to Adviser.**

The Independent Board Members considered the Adviser's overall profitability and costs, and pro forma estimates of the Adviser's profitability and costs attributable to the Fund: (i) as part of the Fund Complex; and (ii) assuming

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**

**Board Consideration and Re-Approval of Investment Advisory Agreements (Unaudited) (Continued)**

the Fund constituted the Adviser's only investment company under its management. The Independent Board Members also considered whether the amount of profit is a fair entrepreneurial profit for the management of the Fund, and noted that the Adviser has substantially increased its resources devoted to Fund matters in response to recently enacted regulatory requirements and new or enhanced Fund policies and procedures. The Independent Board Members concluded that the Adviser's profitability was at an acceptable level.

**Extent of Economies of Scale as Company Grows.**

The Independent Board Members considered whether there have been economies of scale with respect to the management of the Fund and whether the Fund has appropriately benefited from any economies of scale. The Independent Board Members noted that economies of scale may develop for certain funds as their assets increase and their fund level expenses decline as a percentage of assets, but that fund level economies of scale may not necessarily result in Adviser level economies of scale. The Independent Board Members concluded that there was an appropriate sharing of economies of scale.

**Whether Fee Levels Reflect Economies of Scale.**

The Independent Board Members also considered whether the management fee rate is reasonable in relation to the asset size of the Fund and any economies of scale that may exist, and concluded that the Fund's current fee schedule (without breakpoint) was considered reasonable.

**Other Relevant Considerations.**

**(a) Adviser Personnel and Methods.** The Independent Board Members considered the size, education, and experience of the Adviser's staff, the Adviser's fundamental research capabilities, and the Adviser's approach to recruiting, training, and retaining portfolio managers and other research and management personnel, and concluded that in each of these areas the Adviser was structured in such a way to support the high level of services being provided to the Fund.

**(b) Other Benefits to the Adviser.** The Independent Board Members also considered the character and amount of other incidental benefits received by the Adviser and its affiliates from its association with the Fund. The Independent Board Members considered the brokerage commissions paid to an affiliate of the Adviser. The Independent Board Members concluded that potential "fall-out" benefits that the Adviser and its affiliates may receive, such as affiliated brokerage commissions, greater name recognition, or increased ability to obtain research services, appear to be reasonable, and may in some cases benefit the Fund.

**Conclusions.**

In considering the Advisory Agreement, the Independent Board Members did not identify any factor as all important or all controlling, and instead considered these factors collectively in light of the Fund's surrounding circumstances. Based on this review, it was the judgment of the Independent Board Members that shareholders had received satisfactory absolute and relative performance at reasonable fees and, therefore, re-approval of the Agreement was in the best interests of the Fund and its shareholders. As a part of its decision making process the Independent Board Members considered, generally, that shareholders invested in the Fund knowing that the Adviser managed the Fund and knowing its investment management fee schedule. As such, the Independent Board Members considered, in particular, whether the Adviser managed the Fund in accordance with its investment objectives and policies as disclosed to shareholders. The Independent Board Members concluded that the Fund was managed by the Adviser consistent with its investment objectives and policies.

**TRUSTEES AND OFFICERS**

**THE GABELLI HEALTHCARE & WELLNESS<sup>Rx</sup> TRUST**

**One Corporate Center, Rye, NY 10580-1422**

*Trustees*

Mario J. Gabelli, CFA

*Chairman & Chief Executive Officer,*

*GAMCO Investors, Inc.*

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.*

Robert C. Kolodny, MD

*Physician, Principal of KBS Management LLC*

Kuni Nakamura

*President, Advanced Polymer, Inc.*

Anthonie C. van Ekris

*Chairman, BALMAC International, Inc.*

Salvatore J. Zizza

*Chairman, Zizza & Associates Corp.*

*Officers*



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Agnes Mullady

*President & Treasurer*

Bruce N. Alpert

*Secretary & Acting Chief Compliance Officer*

Carter W. Austin

*Vice President*

Wayne C. Pinsent, CFA

*Assistant Vice President & Ombudsman*

David I. Schachter

*Vice President*

Adam E. Tokar

*Vice President*

***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***

NYSE Symbol:	Common	5.76%
Shares Outstanding:	GRX	Preferred
	11,217,460	GRX PrA
		1,200,000

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](http://www.gabelli.com).

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The NASDAQ symbol for the Net Asset Value is **XXGRX**.

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](mailto: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.



**Item 2. Code of Ethics.**

Not applicable.

**Item 3. Audit Committee Financial Expert.**

Not applicable.

**Item 4. Principal Accountant Fees and Services.**

Not applicable.

**Item 5. Audit Committee of Listed registrants.**

Not applicable.

**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.**

Not applicable.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

There has been no change, as of the date of this filing, in any of the portfolio managers identified in response to paragraph (a)(1) of this Item in the registrant's most recently filed annual report on Form N-CSR.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated**

**Purchasers.**

**REGISTRANT PURCHASES OF EQUITY SECURITIES**

Period	(a) Total Number of Shares (or Units) Purchased		(b) Average Price Paid per Share (or Unit)		(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs		(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs	
	Common	N/A	Common	N/A	Common	N/A	Common	N/A
Month #1 01/01/12 through 01/31/12	Common	N/A	Common	N/A	Common	N/A	Common	11,229,660
	Preferred	N/A	Preferred	N/A	Preferred	N/A	Preferred Series A	1,200,000
Month #2 02/01/12 through 02/29/12	Common	4,800	Common	\$7.8404	Common	4,800	Common	11,224,860
	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
Month #3 03/01/12 through 03/31/12	Common	7,400	Common	\$8.0773	Common	7,400	Common	11,217,460
	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
Month #4 04/01/12 through	Common	N/A	Common	N/A	Common	N/A	Common	11,217,460
	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000

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04/30/12

Month #5	Common	N/A	Common	N/A	Common	N/A	Common	11,217,460
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05/01/12

through	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
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05/31/12

Month #6	Common	N/A	Common	N/A	Common	N/A	Common	11,217,460
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06/01/12

through	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
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06/30/12

Total	Common	12,200	Common	\$8.07	Common	12,200	N/A	
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	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A		
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Footnote columns (c) and (d) of the table, by disclosing the following information in the aggregate for all plans or programs publicly announced:

- a. The date each plan or program was announced The notice of the potential repurchase of common and preferred shares occurs quarterly in the Fund's quarterly report in accordance with Section 23(c) of the Investment Company Act of 1940, as amended.
- b. The dollar amount (or share or unit amount) approved Any or all common shares outstanding may be repurchased when the Fund's common shares are trading at a discount of 10% or more from the net asset value of the shares.

Any or all preferred shares outstanding may be repurchased when the Fund's preferred shares are trading at a discount to the liquidation value of \$25.00.

- c. The expiration date (if any) of each plan or program The Fund's repurchase plans are ongoing.
- d. Each plan or program that has expired during the period covered by the table The Fund's repurchase plans are ongoing.
- e. Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. The Fund's repurchase plans are ongoing.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Trustees, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

**Item 11. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) Not applicable.

- (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
  
- (a)(3) Not applicable.
  
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.



