

Edgar Filing: Gabelli Healthcare & WellnessRx Trust - Form N-Q

Gabelli Healthcare & WellnessRx Trust  
Form N-Q  
May 30, 2008

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-22021  
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The Gabelli Healthcare & Wellness(Rx) Trust  
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(Exact name of registrant as specified in charter)

One Corporate Center  
Rye, New York 10580-1422  
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(Address of principal executive offices) (Zip code)

Agnes Mullady  
Gabelli Funds, LLC  
One Corporate Center  
Rye, New York 10580-1422  
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(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554  
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Date of fiscal year end: December 31  
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Date of reporting period: March 31, 2008  
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Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q 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 the 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. ss. 3507.

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ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

[LOGO]

THE GABELLI  
HEALTHCARE &  
WELLNESS (RX) TRUST

THE GABELLI HEALTHCARE & WELLNESS (RX) TRUST

First Quarter Report  
March 31, 2008

TO OUR SHAREHOLDERS,

The Gabelli Healthcare & Wellness(Rx) Trust's (the "Fund") net asset value ("NAV") total return declined 5.5% for the first quarter of 2008, compared with declines of 9.4%, 11.5%, and 2.2% for the Standard & Poor's ("S&P") 500 Index, the S&P 500 Health Care Index, and the S&P 500 Consumer Staples Index, respectively. The price of the Fund's publicly traded shares declined 6.1% during the first quarter. On March 31, 2008, the Fund's NAV per share was \$7.59, while the price of the publicly traded shares closed at \$6.66 on the New York Stock Exchange.

Enclosed is the investment portfolio as of March 31, 2008.

COMPARATIVE RESULTS

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RETURNS THROUGH MARCH 31, 2008 (a)  
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	Quarter	Since Inception (06/28/07)
	-----	-----
GABELLI HEALTHCARE & WELLNESS (RX) TRUST		
NAV TOTAL RETURN (b) .....	(5.48)%	(4.53)%
INVESTMENT TOTAL RETURN (c) .....	(6.06)	(16.16)
S&P 500 Index .....	(9.44)	(10.82) (d)
S&P 500 Health Care Index .....	(11.52)	(10.99)
S&P 500 Consumer Staples Index .....	(2.21)	6.36

(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](http://WWW.GABELLI.COM) FOR PERFORMANCE INFORMATION AS OF THE MOST RECENT MONTH END. PERFORMANCE RETURNS FOR PERIODS 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, S&P 500 HEALTH CARE, AND S&P 500 CONSUMER STAPLES INDICES ARE UNMANAGED INDICATORS OF STOCK MARKET 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.

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- (c) TOTAL RETURNS AND AVERAGE ANNUAL RETURNS REFLECT CHANGES IN CLOSING MARKET VALUES ON THE NEW YORK STOCK EXCHANGE 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.

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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(RX) TRUST  
 SCHEDULE OF INVESTMENTS  
 MARCH 31, 2008 (UNAUDITED)

SHARES

	COMMON STOCKS -- 76.6%
	AGRICULTURE -- 0.6%
10,000	UAP Holding Corp. ....
	BEVERAGES -- 5.8%
20,000	Cadbury Schweppes plc, ADR .....
10,000	Hansen Natural Corp.+ .....
60,000	ITO EN Ltd. ....
7,500	ITO EN Ltd., Preference .....
10,000	PepsiCo Inc. ....
3,000	Sapporo Holdings Ltd. ....
10,000	The Coca-Cola Co. ....
	BIOTECHNOLOGY -- 4.8%
25,000	3SBio Inc., ADR+ .....
200	Alnylam Pharmaceuticals Inc.+ .....
200	Arena Pharmaceuticals Inc.+ .....
40,000	Array Biopharma Inc.+ .....
8,000	Cephalon Inc.+ .....
11,500	Crucell NV, ADR+ .....
60,000	CytRx Corp.+ .....
450,000	Encysive Pharmaceuticals Inc.+ .....
6,000	Gilead Sciences Inc.+ .....
20,000	Monogram Biosciences Inc.+ .....
6,000	Myriad Genetics Inc.+ .....
5,000	Omrix Biopharmaceuticals Inc.+ .....
2,993	RXi Pharmaceuticals Corp.+ .....
20,000	Vanda Pharmaceuticals Inc.+ .....

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	CHEMICALS -- 0.8%
12,000	International Flavors & Fragrances Inc. ....
	FOOD -- 25.8%
40,000	Campbell Soup Co. ....
52,000	Dean Foods Co.+ ....
100,000	Del Monte Foods Co. ....
22,000	Flowers Foods Inc. ....
20,000	General Mills Inc. ....
22,000	Groupe Danone ....
2,000	Groupe Danone, ADR ....
12,000	H.J. Heinz Co. ....
27,000	Hain Celestial Group Inc.+ ....
15,000	Kellogg Co. ....
16,000	Kerry Group plc, Cl. A ....
40,000	Kikkoman Corp. ....
50,000	Lifeway Foods Inc.+ ....
100,000	Meiji Seika Kaisha Ltd. ....
15,000	Morinaga Milk Industry Co. Ltd. ....

### SHARES

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3,900	Nestle SA ....
200	Nestle SA, ADR ....
5,000	Parmalat SpA ....
15,000	Rock Field Co. Ltd. ....
43,500	Smart Balance Inc.+ ....
15,000	The J.M. Smucker Co. ....
7,300	Wimm-Bill-Dann Foods OJSC, ADR ....
40,000	YAKULT HONSHA Co. Ltd. ....
	FOOD AND STAPLES RETAILING -- 9.7%
6,000	Costco Wholesale Corp. ....
34,000	CVS Caremark Corp. ....
12,000	SUPERVALU Inc. ....
37,777	The Great Atlantic & Pacific Tea Co. Inc.+ ....
500	Village Super Market Inc., Cl. A ....
10,000	Wal-Mart Stores Inc. ....
22,000	Walgreen Co. ....
52,000	Whole Foods Market Inc. ....
	HEALTH CARE EQUIPMENT AND SUPPLIES -- 14.1%
5,000	ABIOMED Inc.+ ....
11,000	Advanced Medical Optics Inc.+ ....
5,000	Align Technology Inc.+ ....
175,000	AMD Inc.+ (a) ....
40,000	AngioDynamics Inc.+ ....
16,000	Boston Scientific Corp.+ ....
10,000	Covidien Ltd. ....
32,000	Cutera Inc.+ ....
68,000	E-Z-EM-Inc.+ ....
21,200	ev3 Inc.+ ....
27,000	Greatbatch Inc.+ ....
8,500	Inverness Medical Innovations Inc.+ ....

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12,200	Kinetic Concepts Inc.+ .....
15,000	Medical Action Industries Inc.+ .....
9,000	Medtronic Inc. ....
4,200	Mentor Corp. ....
30,000	Micrus Endovascular Corp.+ .....
3,000	Orthofix International NV+ .....
200,000	Specialized Health Products International Inc.+ .....
14,000	St. Jude Medical Inc.+ .....
30,000	Thoratec Corp.+ .....
85,000	Vascular Solutions Inc.+ .....
9,000	Zimmer Holdings Inc.+ .....

See accompanying notes to schedule of investments.

THE GABELLI HEALTHCARE & WELLNESS (RX) TRUST  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 MARCH 31, 2008 (UNAUDITED)

SHARES  
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	COMMON STOCKS (CONTINUED)
	HEALTH CARE PROVIDERS AND SERVICES -- 8.5%
14,000	Aetna Inc. ....
11,000	Amedisys Inc.+ .....
30,000	American Dental Partners Inc.+ .....
7,000	AmerisourceBergen Corp. ....
8,000	Cardinal Health Inc. ....
3,500	Healthways Inc.+ .....
45,000	HLTH Corp.+ .....
150,000	I-Trax Inc.+ .....
12,000	IMS Health Inc. ....
6,000	MedAssets Inc.+ .....
30,000	NightHawk Radiology Holdings Inc.+ .....
20,000	Omnicare Inc. ....
1,000	Owens & Minor Inc. ....
15,000	PSS World Medical Inc.+ .....
24,200	UnitedHealth Group Inc. ....
	PHARMACEUTICALS -- 6.5%
11,000	Abbott Laboratories .....
7,500	Alpharma Inc., Cl. A+ .....
14,000	Barr Pharmaceuticals Inc.+ .....
16,800	Inspire Pharmaceuticals Inc.+ .....
21,000	Johnson & Johnson .....
20,000	K-V Pharmaceutical Co., Cl. A+ .....
18,000	Matrixx Initiatives Inc.+ .....
13,000	Merck & Co. Inc. ....

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2,200 Pain Therapeutics Inc.+ .....

TOTAL COMMON STOCKS .....

WARRANTS -- 0.2%

HEALTH CARE EQUIPMENT AND SUPPLIES -- 0.2%

80,907 AMDL Inc., expire 03/05/11+ (a) .....

PRINCIPAL  
AMOUNT

U.S. GOVERNMENT OBLIGATIONS -- 23.2%

\$ 15,027,000 U.S. Treasury Bills, 1.213% to 3.065%+, 04/03/08 to 09/04/08 .....

TOTAL INVESTMENTS -- 100.0%

(Cost \$68,535,715) .....

Aggregate book cost .....

Gross unrealized appreciation .....

Gross unrealized depreciation .....

Net unrealized appreciation/depreciation .....

(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 March 31, 2008, the market value of fair valued securities amounted to \$694,514 or 1.08% of total investments.

+ Non-income producing security.

++ Represents annualized yield at date of purchase.

ADR American Depositary Receipt

GEOGRAPHIC DIVERSIFICATION	% OF MARKET VALUE	MARKET VALUE
North America .....	83.3%	\$ 53,685,567
Europe .....	9.8	6,305,144
Japan .....	5.7	3,694,272
Latin America .....	1.2	780,310
Total Investments .....	100.0%	\$ 64,465,293

See accompanying notes to schedule of investments.

THE GABELLI HEALTHCARE & WELLNESS (RX) TRUST  
NOTES TO SCHEDULE OF INVESTMENTS (UNAUDITED)

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 60 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 60 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. 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.

ADOPTION OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 157 "FAIR VALUE MEASUREMENTS" ("SFAS 157")

On January 1, 2008, the Fund adopted SFAS 157 that clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. The three levels of the fair value hierarchy under SFAS 157 are described below:

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

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 inputs used to value the Fund's net assets as of March 31, 2008 is as follows:

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VALUATION INPUTS	INVESTMENTS IN SECURITIES (MARKET VALUE)
Level 1 - Quoted Prices	\$48,783,865
Level 2 - Other Significant Observable Inputs	15,681,428
Total	\$64,465,293

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THE GABELLI HEALTHCARE & WELLNESS (RX) TRUST  
AND YOUR PERSONAL PRIVACY

WHO ARE WE?

The Gabelli Healthcare & Wellness(Rx) Trust (the "Fund") is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

WHAT KIND OF NON-PUBLIC INFORMATION DO WE COLLECT ABOUT YOU IF YOU BECOME A SHAREHOLDER?

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- o INFORMATION YOU GIVE US ON YOUR APPLICATION FORM. This could include your name, address, telephone number, social security number, bank account number, and other information.
- o INFORMATION ABOUT YOUR TRANSACTIONS WITH US. This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services--like a transfer agent--we will also have information about the transactions that you conduct through them.

WHAT INFORMATION DO WE DISCLOSE AND TO WHOM DO WE DISCLOSE IT?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, WWW.SEC.GOV.

WHAT DO WE DO TO PROTECT YOUR PERSONAL INFORMATION?

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.



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TRUSTEES AND OFFICERS  
THE GABELLI HEALTHCARE & WELLNESS (RX) 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  
ATTORNEY-AT-LAW,  
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, AUTHOR, AND LECTURER,  
GENERAL PARTNER OF KBS PARTNERSHIP

Anthonie C. van Ekris  
CHAIRMAN, BALMAC INTERNATIONAL, INC.

Salvatore J. Zizza  
CHAIRMAN, ZIZZA & CO., LTD.

OFFICERS

Bruce N. Alpert  
SECRETARY

Carter W. Austin  
VICE PRESIDENT

Peter D. Goldstein  
CHIEF COMPLIANCE OFFICER

Agnes Mullady  
PRESIDENT AND TREASURER

David I. Schachter  
VICE PRESIDENT

Adam E. Tokar  
ASSISTANT VICE PRESIDENT & OMBUDSMAN

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

CUSTODIAN  
Mellon Trust of New England, N.A.

COUNSEL  
Willkie Farr & Gallagher LLP

TRANSFER AGENT AND REGISTRAR  
Computershare Trust Company, N.A.

STOCK EXCHANGE LISTING

Common

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NYSE-Symbol:

GRX

Shares Outstanding:

8,474,459

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."

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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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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](http://WWW.GABELLI.COM), or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)  
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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.  
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THE GABELLI HEALTHCARE &  
WELLNESS(RX) TRUST  
ONE CORPORATE CENTER  
RYE, NY 10580-1422  
(914) 921-5070  
[WWW.GABELLI.COM](http://WWW.GABELLI.COM)

FIRST QUARTER REPORT  
MARCH 31, 2008

GRX Q1/2008

### ITEM 2. 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 last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

### ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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SIGNATURES

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

(Registrant) The Gabelli Healthcare & Wellness(Rx) Trust  
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By (Signature and Title)\* /s/ Agnes Mullady  
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Agnes Mullady, Principal Executive Officer and  
Principal Financial Officer

Date May 29, 2008  
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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Agnes Mullady  
-----

Agnes Mullady, Principal Executive Officer and  
Principal Financial Officer

Date May 29, 2008  
-----

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