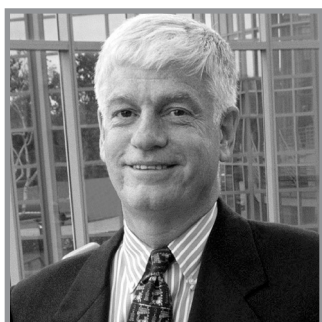


The Gabelli Healthcare & Wellness^{Rx} Trust

Annual Report – December 31, 2009



Mario J. Gabelli, CFA



Kevin V. Dreyer



Jeff J. Jonas, CFA

To Our Shareholders,

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

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

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2009.

Investment Performance

For the year ended December 31, 2009, The Gabelli Healthcare & Wellness^{Rx} Trust's (the "Fund") net asset value ("NAV") total return was 25.0% and the total return for the Fund's publicly traded shares was 33.7%, compared with gains of 19.7% and 14.9% for the S&P 500 Health Care Index and the S&P 500 Consumer Staples Index, respectively. On December 31, 2009, the Fund's NAV per share was \$7.76, while the price of the publicly traded shares closed at \$6.70 on the New York Stock Exchange ("NYSE").

Sincerely yours,

Agnes Mullady
President

February 19, 2010

Comparative Results

Average Annual Returns through December 31, 2009 (a) (Unaudited)

	Quarter	1 Year	2 Year	Since Inception (06/28/07)
Gabelli Healthcare & Wellness^{Rx} Trust				
NAV Total Return (b)	4.72%	24.96%	(1.29)%	(0.64)%
Investment Total Return (c)	12.98	33.73	(2.30)	(6.18)
S&P 500 Index	6.04	26.47	(10.73)	(9.23)(d)
S&P 500 Health Care Index	9.09	19.70	(3.88)	(2.88)
S&P 500 Consumer Staples Index	5.02	14.89	(1.43)	2.22

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit www.gabelli.com for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The S&P 500 Index is an unmanaged indicator of stock market performance. The S&P 500 Health Care Index is an unmanaged indicator of health care equipment and services, pharmaceuticals, biotechnology, and life sciences stock 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.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2009:

Food	29.9%	Health Care Technology	3.2%
Health Care Equipment and Supplies	15.8%	Biotechnology	2.7%
Health Care Providers and Services	13.4%	Consumer Services and Supplies	0.8%
Pharmaceuticals	11.4%	Chemicals	0.7%
Food and Staples Retailing	8.6%	Telecommunications	0.4%
U.S. Government Obligations	6.6%		
Beverages	6.5%		<u>100.0%</u>

The Fund will file a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2009. Shareholders may obtain this information at www.gabelli.com or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at www.sec.gov and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting

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

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
SCHEDULE OF INVESTMENTS
December 31, 2009

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
COMMON STOCKS — 93.4%							
Beverages — 6.5%							
45,000	Dr. Pepper Snapple Group Inc.	\$ 1,162,935	\$ 1,273,500	25,000	The Great Atlantic & Pacific Tea Co. Inc.†	\$ 187,324	\$ 294,750
12,000	Hansen Natural Corp.†	412,587	460,800	10,000	The Kroger Co.	204,000	205,300
46,000	ITO EN Ltd.	888,494	689,988	1,000	Village Super Market Inc., Cl. A	23,378	27,320
15,000	Morinaga Milk Industry Co. Ltd.	48,287	59,108	10,000	Wal-Mart Stores Inc.	458,576	534,500
60,000	Parmalat SpA	170,079	167,983	23,000	Walgreen Co.	724,814	844,560
10,000	PepsiAmericas Inc.	278,849	292,600	23,000	Whole Foods Market Inc.†	385,146	631,350
15,000	The Coca-Cola Co.	786,241	855,000			<u>5,458,591</u>	<u>5,692,130</u>
10,000	The Pepsi Bottling Group Inc.	355,739	375,000	Health Care Equipment and Supplies — 15.8%			
250,000	Vitasoy International Holdings Ltd.	115,873	175,407	12,000	Baxter International Inc.	667,289	704,160
		<u>4,219,084</u>	<u>4,349,386</u>	8,000	Becton, Dickinson and Co.	530,993	630,880
				65,000	Boston Scientific Corp.†	657,528	585,000
				2,000	CareFusion Corp.†	63,741	50,020
				17,000	Covidien plc	688,858	814,130
				30,000	Cutera Inc.†	340,244	255,300
				30,000	Greatbatch Inc.†	719,309	576,900
				9,400	Henry Schein Inc.†	418,608	494,440
				15,000	Hologic Inc.†	284,551	217,500
				19,000	Inverness Medical Innovations Inc.†	416,343	788,690
				1,000	IRIS International Inc.†	11,887	12,360
				15,000	Kinetic Concepts Inc.†	824,220	564,750
				5,000	Medical Action Industries Inc.†	89,640	80,300
				259,000	Medical Nutrition USA Inc.†	574,322	507,640
				12,000	Medtronic Inc.	604,076	527,760
				42,500	Micrus Endovascular Corp.†	811,222	637,925
				550,000	Northstar Neuroscience Inc.	0	11,000
				16,100	Orthofix International NV†	493,407	498,617
				23,000	St. Jude Medical Inc.†	939,541	845,940
				4,000	Stryker Corp.	197,260	201,480
				7,500	Thermo Fisher Scientific Inc.†	295,502	357,675
				82,000	Vascular Solutions Inc.†	746,207	687,980
				8,000	Zimmer Holdings Inc.†	458,041	472,880
						<u>10,832,789</u>	<u>10,523,327</u>
				Health Care Providers and Services — 13.4%			
				14,000	Aetna Inc.	703,453	443,800
				17,000	Amedisys Inc.†	651,682	825,520
				18,000	AmerisourceBergen Corp.	386,491	469,260
				3,000	Chemed Corp.	126,720	143,910
				16,000	CIGNA Corp.	489,598	564,320
				169,600	Continuicare Corp.†	358,318	741,152
				9,000	Express Scripts Inc.†	414,609	778,050
				29,091	Genoptix Inc.†	841,000	1,033,603
				25,000	Healthways Inc.†	620,843	458,500
				7,000	McKesson Corp.	351,998	437,500
				6,000	Medco Health Solutions Inc.†	237,634	383,460
				280,000	Metropolitan Health Networks Inc.†	489,278	557,200
				25,000	Omicare Inc.	799,508	604,500
				13,500	Owens & Minor Inc.	501,559	579,555
				14,000	PSS World Medical Inc.†	219,891	315,980
				20,000	UnitedHealth Group Inc.	769,227	609,600
						<u>7,961,809</u>	<u>8,945,910</u>
				Health Care Technology — 3.2%			
				78,000	IMS Health Inc.	1,654,106	1,642,680
				33,000	Starlims Technologies Ltd.	458,414	458,370
						<u>2,112,520</u>	<u>2,101,050</u>
Biotechnology — 2.7%							
11,500	Biogen Idec Inc.†	539,116	615,250				
7,000	Cephalon Inc.†	492,220	436,870				
12,000	Crucell NV, ADR†	225,902	242,160				
12,000	Gilead Sciences Inc.†	529,622	519,360				
452,000	Neose Technologies Inc.	0	4,972				
		<u>1,786,860</u>	<u>1,818,612</u>				
Chemicals — 0.7%							
12,000	International Flavors & Fragrances Inc.	571,938	493,680				
Consumer Services and Supplies — 0.8%							
18,000	Weight Watchers International Inc.	616,179	524,880				
Food — 29.9%							
15,000	Cadbury plc, ADR	776,312	770,850				
40,000	Campbell Soup Co.	1,437,303	1,352,000				
26,000	Danone	1,692,390	1,596,371				
75,000	Dean Foods Co.†	1,491,771	1,353,000				
50,000	Del Monte Foods Co.	503,345	567,000				
18,000	Diamond Foods Inc.	427,512	639,720				
10,000	Dole Food Co. Inc.†	118,130	124,100				
25,000	Flowers Foods Inc.	532,398	594,000				
20,000	General Mills Inc.	1,136,982	1,416,200				
18,000	H.J. Heinz Co.	759,640	769,680				
17,000	Kellogg Co.	861,718	904,400				
16,000	Kerry Group plc, Cl. A	419,845	503,691				
80,000	Kikkoman Corp.	938,281	974,070				
49,600	Lifeway Foods Inc.†	504,432	589,248				
13,000	MEIJI Holdings Co. Ltd.†	580,865	489,934				
40,000	Nestlé SA	1,606,111	1,941,128				
6,000	Rock Field Co. Ltd.	81,896	78,145				
140,000	Smart Balance Inc.†	957,319	840,000				
50,000	The Hain Celestial Group Inc.†	1,229,093	850,500				
15,000	The J.M. Smucker Co.	757,913	926,250				
130,000	Tingyi (Cayman Islands) Holding Corp.	175,116	321,923				
44,000	Wimm-Bill-Dann Foods OJSC, ADR†	397,009	1,048,520				
40,000	YAKULT HONSHA Co. Ltd.	963,651	1,206,850				
		<u>18,349,032</u>	<u>19,857,580</u>				
Food and Staples Retailing — 8.6%							
2,500	Chattem Inc.†	232,137	233,250				
6,000	Costco Wholesale Corp.	347,483	355,020				
48,000	CVS Caremark Corp.	1,671,539	1,546,080				
30,000	Safeway Inc.	581,489	638,700				
30,000	SUPERVALU Inc.	642,705	381,300				

See accompanying notes to financial statements.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2009

<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>	<u>% of Market Value</u>	<u>Market Value</u>
COMMON STOCKS (Continued)				
Pharmaceuticals — 11.4%				
15,000	Abbott Laboratories \$ 789,645	\$ 809,850		
21,000	Inspire Pharmaceuticals Inc.† 81,948	115,920		
40,000	Johnson & Johnson 2,395,463	2,576,400		
10,000	King Pharmaceuticals Inc.† 89,350	122,700		
15,000	Mead Johnson Nutrition Co., Cl. A 396,474	655,500		
12,975	Merck & Co. Inc. 303,324	474,107		
40,000	Mylan Inc.† 537,553	737,200		
45,000	Pain Therapeutics Inc.† 372,404	241,200		
24,625	Pfizer Inc. 438,169	447,929		
15,000	Teva Pharmaceutical Industries Ltd., ADR 660,567	842,700		
14,000	Watson Pharmaceuticals Inc.† 485,683	554,540		
	6,550,580	7,578,046		
Telecommunications — 0.4%				
35,000	3Com Corp.† 262,175	262,500		
TOTAL COMMON STOCKS 58,721,557 62,147,101				
WARRANTS — 0.0%				
Health Care Equipment and Supplies — 0.0%				
80,907	Radiant Pharmaceutical Corp., expire 03/05/11† (a) 148,405	1,155		
Principal Amount				
U.S. GOVERNMENT OBLIGATIONS — 6.6%				
U.S. Treasury Bills — 3.8%				
\$2,488,000	U.S. Treasury Bills, 0.056% to 0.274%††, 02/18/10 to 05/20/10 2,487,248	2,487,330		
U.S. Treasury Cash Management Bills — 2.8%				
1,875,000	U.S. Treasury Cash Management Bills, 0.101% to 0.162%††, 04/01/10 to 06/10/10 1,874,496	1,874,704		
TOTAL U.S. GOVERNMENT OBLIGATIONS 4,361,744 4,362,034				
TOTAL INVESTMENTS — 100% \$63,231,706 66,510,290				
Other Assets and Liabilities (Net) (760,468)				
NET ASSETS — COMMON SHARES				
(8,474,459 common shares outstanding) \$65,749,822				
NET ASSET VALUE PER COMMON SHARE				
(\$65,749,822 ÷ 8,474,459 shares outstanding) \$7.76				

(a) Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At December 31, 2009, the market value of the fair valued security amounted to \$1,155 or 0.00% of total investments.

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depositary Receipt

See accompanying notes to financial statements.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2009

Assets:	
Investments, at value (cost \$63,231,706)	\$66,510,290
Cash	148
Dividends receivable	85,925
Prepaid expense	<u>2,774</u>
Total Assets	<u>66,599,137</u>
Liabilities:	
Payable for investments purchased	586,960
Payable for investment advisory fees	55,142
Payable for payroll expenses	22,137
Payable for accounting fees	11,250
Payable for shareholder communications expenses	124,986
Other accrued expenses	<u>48,840</u>
Total Liabilities	<u>849,315</u>
Net Assets applicable to 8,474,459 shares outstanding	<u>\$65,749,822</u>
Net Assets Consist of:	
Paid-in capital	\$66,805,253
Accumulated net realized loss on investments and foreign currency transactions	(4,334,560)
Net unrealized appreciation on investments	3,278,584
Net unrealized appreciation on foreign currency translations	<u>545</u>
Net Assets	<u>\$65,749,822</u>
Net Asset Value per Common Share:	
(\$65,749,822 ÷ 8,474,459 shares outstanding, at \$0.001 par value; unlimited number of shares authorized)	<u>\$7.76</u>

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2009

Investment Income:	
Dividends (net of foreign taxes of \$8,765)	\$ 738,352
Interest	<u>8,318</u>
Total Investment Income	<u>746,670</u>
Expenses:	
Investment advisory fees	566,522
Shareholder communications expenses	232,905
Payroll expenses	88,499
Legal and audit fees	64,565
Trustees' fees	60,125
Shareholder services fees	52,918
Accounting fees	41,250
Custodian fees	9,453
Interest expense	7
Miscellaneous expenses	<u>40,634</u>
Total Expenses	<u>1,156,878</u>
Less:	
Advisory fee reduction on unsupervised assets (Note 4)	(1,066)
Custodian fee credits	<u>(69)</u>
Total Reductions and Credits	<u>(1,135)</u>
Net Expenses	<u>1,155,743</u>
Net Investment Loss	<u>(409,073)</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:	
Net realized loss on investments	(2,115,791)
Net realized loss on foreign currency transactions	<u>(2,022)</u>
Net realized loss on investments and foreign currency transactions	<u>(2,117,813)</u>
Net change in unrealized appreciation:	
on investments	15,654,893
on foreign currency translations	<u>278</u>
Net change in unrealized appreciation on investments and foreign currency translations	<u>15,655,171</u>
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>13,537,358</u>
Net Increase in Net Assets Resulting from Operations	<u>\$13,128,285</u>

See accompanying notes to financial statements.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

STATEMENT OF CHANGES IN NET ASSETS

	<u>Year Ended December 31, 2009</u>	<u>Year Ended December 31, 2008</u>
Operations:		
Net investment loss	\$ (409,073)	\$ (577,283)
Net realized loss on investments and foreign currency transactions	(2,117,813)	(2,211,900)
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	<u>15,655,171</u>	<u>(12,234,817)</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations	<u>13,128,285</u>	<u>(15,024,000)</u>
Distributions to Common Shareholders:		
Net investment income	—	(97,110)
Net realized short-term gain	<u>—</u>	<u>(326,612)</u>
Total Distributions to Common Shareholders	<u>—</u>	<u>(423,722)</u>
Net Increase/(Decrease) in Net Assets	<u>13,128,285</u>	<u>(15,447,722)</u>
Net Assets:		
Beginning of period	<u>52,621,537</u>	<u>68,069,259</u>
End of period (including undistributed net investment income of \$0 and \$0, respectively)	<u>\$65,749,822</u>	<u>\$ 52,621,537</u>

See accompanying notes to financial statements.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

FINANCIAL HIGHLIGHTS

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

	<u>Year Ended</u> <u>December 31, 2009</u>	<u>Year Ended</u> <u>December 31, 2008</u>	<u>Period Ended</u> <u>December 31, 2007 (a)</u>
Operating Performance:			
Net asset value, beginning of period	\$ 6.21	\$ 8.03	\$ 8.00
Net investment income/(loss)	(0.05)	(0.07)	0.02
Net realized and unrealized gain/(loss) on investments and foreign currency transactions	<u>1.60</u>	<u>(1.70)</u>	<u>0.06</u>
Total from investment operations	<u>1.55</u>	<u>(1.77)</u>	<u>0.08</u>
Distributions to Common Shareholders:			
Net investment income	—	(0.01)	(0.01)
Net realized short-term gain	<u>—</u>	<u>(0.04)</u>	<u>(0.04)</u>
Total distributions to common shareholders	<u>—</u>	<u>(0.05)</u>	<u>(0.05)</u>
Net Asset Value, End of Period	<u>\$ 7.76</u>	<u>\$ 6.21</u>	<u>\$ 8.03</u>
Net asset value total return †	<u>24.96%</u>	<u>(22.03)%</u>	<u>1.00%</u>
Market value, end of period	<u>\$ 6.70</u>	<u>\$ 5.01</u>	<u>\$ 7.09</u>
Total investment return ††	<u>33.73%</u>	<u>(28.63)%</u>	<u>(10.75)%</u>
Ratios to Average Net Assets and Supplemental Data:			
Net assets end of period (in 000's)	\$65,750	\$52,622	\$68,069
Ratio of net investment income/(loss) to average net assets	(0.72)%	(0.94)%	0.56%(b)
Ratio of operating expenses to average net assets	2.04%	2.41%	1.97%(b)
Portfolio turnover rate	55.7%	122.0%	26.7%†††

† 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. 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. 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%.

(a) The Gabelli Healthcare & Wellness^{Rx} Trust commenced investment operations on June 28, 2007.

(b) Annualized.

See accompanying notes to financial statements.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

NOTES TO FINANCIAL STATEMENTS

1. Organization. The Gabelli Healthcare & Wellness^{Rx} 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. Under normal market conditions, the Fund will invest at least 80% of its assets in equity securities and income producing securities of domestic and foreign companies in the healthcare and wellness industries.

2. Significant Accounting Policies. The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The Fund’s financial statements are prepared in accordance with 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. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund’s investments are summarized into three levels as described in the hierarchy below:

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

The 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 by inputs used to value the Fund’s investments as of December 31, 2009 is as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 1 – Quoted Prices*	\$62,147,101
Level 2 – Other Significant Observable Inputs*	4,363,189
Total	\$66,510,290

* Portfolio holdings designated in Level 1 and Level 2 are disclosed individually in the Schedule of Investment (“SOI”). Level 2 consists of U.S. Government Obligations and Warrants. Please refer to the SOI for the industry classifications of the portfolio holdings.

There were no Level 3 investments at December 31, 2009 or December 31, 2008.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

NOTES TO FINANCIAL STATEMENTS (Continued)

Derivative Financial Instruments.

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of 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.

Options. The Fund may purchase or write call or put options on securities or indices for the purpose of increasing the income of the Fund. As a writer of put options, the Fund receives a premium at the outset and then bears the risk of unfavorable changes in the price of the financial instrument underlying the option. The Fund would incur a loss if the price of the underlying financial instrument decreases between the date the option is written and the date on which the option is terminated. The Fund would realize a gain, to the extent of the premium, if the price of the financial instrument increases between those dates. If a written call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss. If a written put option is exercised, the premium reduces the cost basis of the security.

As a purchaser of put options, the Fund pays a premium for the right to sell to the seller of the put option the underlying security at a specified price. The seller of the put has the obligation to purchase the underlying security upon exercise at the exercise price. If the price of the underlying security declines, the Fund would realize a gain upon sale or exercise. If the price of the underlying security increases or stays the same, the Fund would realize a loss upon sale or at the expiration date, but only to the extent of the premium paid.

In the case of call options, these exercise prices are referred to as "in-the-money", "at-the-money", and "out-of-the-money", respectively. The Fund may write (a) in-the-money call options when the Adviser expects that the price of the underlying security will remain stable or decline during the option period, (b) at-the-money call options when the Adviser expects that the price of the underlying security will remain stable, decline, or advance moderately during the option period, and (c) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option will be greater than the appreciation in the price of the underlying security above the exercise price. By writing a call option, the Fund limits its opportunity to profit from any increase in the market value of the underlying security above the exercise price of the option. Out-of-the-money, at-the-money, and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions. During the year ended December 31, 2009, the Fund had no investments in options.

Futures Contracts. The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the year ended December 31, 2009, the Fund had no investments in futures contracts.

Forward Foreign Exchange Contracts. The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on 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 GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

NOTES TO FINANCIAL STATEMENTS (Continued)

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. During the year ended December 31, 2009, the Fund had no investments in forward foreign exchange contracts.

Repurchase Agreements. The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System, or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to always receive and maintain securities as collateral whose market value, including accrued interest, is at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At December 31, 2009, there were no open repurchase agreements.

Investments in other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the "Acquired Funds") in accordance with the 1940 Act and related rules. As a shareholder in the Fund, you would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. During the year ended December 31, 2009, the Fund did not hold any investments in Acquired Funds.

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

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

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

Restricted and Illiquid 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 GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

Concentration Risks. The Fund will invest a significant portion of its assets in 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.

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 which are recorded as soon as the Fund is informed of the dividend.

Custodian Fee Credits and Interest Expense. When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as "custodian fee credits." When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 110% of the 90 day Treasury Bill rate on outstanding balances. This amount, if any, would be included in "interest expense" in the Statement of Operations.

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 U.S. generally accepted accounting principles. 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, write-offs of net operating loss, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to recharacterization of distributions and the write-off of net operating loss. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated net investment loss by \$409,717 and decrease accumulated net realized loss on investments and foreign currency transactions by \$2,105, with an offsetting adjustment to additional paid in capital.

The tax character of distributions paid during the years ended December 31, 2009 and December 31, 2008 was as follows:

	Year Ended December 31,	
	2009	2008
Distributions paid from:		
Ordinary income (inclusive of short-term capital gains)	\$ —	\$423,722
Total distributions paid	\$ —	\$423,722

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, 2009, the components of accumulated earnings/losses on a tax basis were as follows:

Accumulated capital loss carryforwards	\$(3,501,073)
Net unrealized appreciation on investments and foreign currency translations	2,445,642
Total	\$(1,055,431)

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$3,501,073 which are available to reduce future required distributions of net capital gains to shareholders. \$1,540,875 is available through 2016; and \$1,960,198 is available through 2017.

At December 31, 2009, the difference between book basis and tax basis unrealized appreciation was primarily due to deferral of losses from wash sales for tax purposes.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at December 31, 2009:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$64,065,193	\$7,201,560	\$(4,756,463)	\$2,445,097

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 to not meet the more-likely-than-not threshold. For the year ended December 31, 2009, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2009, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund’s net assets or results of operations. Tax years ended December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its 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. 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 year ended December 31, 2009, the Fund paid brokerage commissions on security trades of \$44,673 to Gabelli & Company, Inc. (“Gabelli & Company”), an affiliate of the Adviser.

The cost of calculating the Fund’s NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the year ended December 31, 2009, the Fund paid or accrued \$41,250 to the Adviser in connection with the cost of computing the Fund’s NAV.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser) and pays its allocated portion of the cost of the Fund’s Chief Compliance Officer. For the year ended December 31, 2009, the Fund accrued \$88,499 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. 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. Advisory Fee Reduction on Unsupervised Assets. This reduction in the advisory fee paid to the Adviser relates to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser has transferred dispositive and voting control to the Fund’s Proxy Voting Committee. During 2009, the Fund’s Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities and the Adviser reduced its fee with respect to such securities by \$1,066.

5. Portfolio Securities. Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated \$33,909,276 and \$28,745,312, respectively.

6. 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 years ended December 31, 2009, and December 31, 2008, the Fund did not have any transactions in shares of beneficial interest.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)

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 and expects the risk of loss to be remote.

8. Other Matters. On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex including the Fund. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

9. Subsequent Events. Management has evaluated the impact on the Fund of events occurring subsequent to December 31, 2009 through February 25, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Shareholders of
The Gabelli Healthcare & Wellness^{Rx} Trust:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Healthcare & Wellness^{Rx} Trust (hereafter referred to as the “Trust”) at December 31, 2009, the results of its operations for the year then ended, and the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. The financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 25, 2010

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
ADDITIONAL FUND INFORMATION (Unaudited)

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Healthcare & Wellness^{Rx} Trust at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address ¹ and Age	Term of Office and Length of Time Served ²	Number of Funds in Fund Complex Overseen by Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee ⁴
<u>INTERESTED TRUSTEES³:</u>				
Mario J. Gabelli Trustee and Chief Investment Officer Age: 67	Since 2007***	26	Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICF Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications)
<u>INDEPENDENT TRUSTEES⁵:</u>				
Thomas E. Bratter Trustee Age: 70	Since 2007**	4	Director, President, and Founder of The John Dewey Academy (residential college preparatory therapeutic high school)	—
Anthony J. Colavita Trustee Age: 74	Since 2007*	34	President of the law firm of Anthony J. Colavita, P.C.	—
James P. Conn Trustee Age: 71	Since 2007**	18	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (insurance holding company) (1992-1998)	—
Vincent D. Enright Trustee Age: 66	Since 2007***	16	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics)
Robert C. Kolodny, MD Trustee Age: 65	Since 2007*	2	Physician; Principal of KBS Management LLC (investment adviser) since 2006; General Partner of KBS Partnership, KBS II Investment Partnership, KBS III Investment Partnership, KBS IV Limited Partnership, KBS New Dimensions, L.P., KBS Global Opportunities, L.P. and KBS VII Limited Partnership (private investment partnerships) since 1981; Medical Director and Chairman of the Board of the Behavioral Medicine Institute since 1983	—
Anthonie C. van Ekris Trustee Age: 75	Since 2007***	20	Chairman of BALMAC International, Inc. (commodities and futures trading)	—
Salvatore J. Zizza Trustee Age: 64	Since 2007*	28	Chairman of Zizza & Co., Ltd. (consulting)	Director of Hollis-Eden Pharmaceuticals (biotechnology) Director of Trans-Lux Corporation (business services)

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
ADDITIONAL FUND INFORMATION (Continued) (Unaudited)

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Principal Occupation(s) During Past Five Years
OFFICERS:		
Bruce N. Alpert Secretary Age: 58	Since 2007	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director and President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008
Carter W. Austin Vice President Age: 43	Since 2007	Vice President of The Gabelli Equity Trust Inc. since 2000, Vice President of The Gabelli Dividend & Income Trust since 2003, The Gabelli Global Gold, Natural Resources & Income Trust since 2005, The Gabelli Global Deal Fund since 2006; Vice President of Gabelli Funds, LLC since 1996
Peter D. Goldstein Chief Compliance Officer Age: 56	Since 2007	Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex
Agnes Mullady President and Treasurer Age: 51	Since 2006	Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005; Chief Financial Officer of AMIC Distribution Partners from 2002 through 2004
David I. Schachter Vice President Age: 56	Since 2007	Vice President of The Gabelli Utility Trust since 1999, The Gabelli Global Utility & Income Trust since 2004, The Gabelli Global Deal Fund since 2006; Vice President of Gabelli & Company, Inc. since 1999
Adam E. Tokar Assistant Vice President & Ombudsman Age: 29	Since 2007	Assistant Vice President of the Fund since 2007; Portfolio Administrator for GAMCO Asset Management, Inc. 2003 through 2006

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

² The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

* – Term expires at the Fund's 2010 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** – Term expires at the Fund's 2011 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

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

Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" of the Fund because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

⁴ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act.

⁵ Trustees who are not interested persons are considered "Independent" Trustees.

Certifications

The Fund's Chief Executive Officer has certified to the New York Stock Exchange ("NYSE") that, as of June 12, 2009, 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.

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST
INCOME TAX INFORMATION (Unaudited)

December 31, 2009

Historical Distribution Summary

Common Shares

	<u>Investment Income (a)</u>	<u>Short-Term Capital Gains (a)</u>	<u>Total Distributions</u>
2009	—	—	—
2008	\$0.0114	\$0.0386	\$0.0500
2007	0.0115	0.0385	0.0500

(a) Taxable as ordinary income for federal tax purposes.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

The Annual Meeting of The Gabelli Healthcare & Wellness ^{Rx} Trust's shareholders will be held on Monday, May 17, 2010 at the Greenwich Library in Greenwich, Connecticut.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the policy of The Gabelli Healthcare & Wellness^{Rx} Trust (the “Fund”) to automatically reinvest dividends. As a “registered” shareholder you automatically become a participant in the Fund’s Automatic Dividend Reinvestment Plan (the “Plan”). The Plan authorizes the Fund to credit common shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their shares certificates to Computershare Trust Company, N.A. (“Computershare”) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Healthcare & Wellness^{Rx} Trust
c/o Computershare
P.O. Box 43010
Providence, RI 02940-3010

Shareholders requesting this cash election must include the shareholder’s name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan, or requesting a copy of the terms of the Plan, may contact Computershare at (800) 336-6983.

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

The number of common shares distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund’s common shares is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued common shares valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund’s common shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange (“NYSE”) trading day, the next trading day. If the net asset value of the common shares at the time of valuation exceeds the market price of the common shares, participants will receive shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy common shares in the open market, or on the NYSE or elsewhere, for the participants’ accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common shares exceeds the then current net asset value.

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

Voluntary Cash Purchase Plan

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

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund’s shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 43010, Providence, RI 02940–3010 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

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

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

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

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
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

Anthonie C. van Ekris
Chairman, BALMAC International, Inc.

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 The Bank of New York Mellon

Counsel
 Willkie Farr & Gallagher LLP

Transfer Agent and Registrar
 Computershare Trust Company, N.A.

Stock Exchange Listing

	<u>Common</u>
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.”

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting www.gabelli.com.

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

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund’s shares are trading at a discount of 10% or more from the net asset value of the shares.

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