THE GABELLI HEALTHCARE & WELLNESS^Rx TRUST

Shareholder Commentary
September 30, 2011

THE GABELLI HEALTHCARE & WELLNESS[Rx] TRUST

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in in America – that creativity, ingenuity, hard work, and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected, and interdependent economic world.

Investment Objective:

The Gabelli Healthcare & Wellness[Rx] Trust is a non-diversified, closed-end management investment company whose investment objective is long-term growth of capital. The Fund seeks opportunities for long-term growth presented in the healthcare and wellness industries.

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. Both the commentary and the financial statements, including the portfolio of investments, are available on our website at www.gabelli.com.

This report is printed on recycled paper.

Mario J. Gabelli, CFA

Kevin V. Dreyer

Jeffrey J. Jonas, CFA

THE GABELLI HEALTHCARE & WELLNESS^Rx TRUST

To Our Shareholders,

For the quarter ended September 30, 2011, the net asset value ("NAV") total return of The Gabelli Healthcare & Wellness^Rx Trust (the "Fund") was (13.23)%, compared with the total return of the Standard & Poor's ("S&P") 500 Health Care Index of (10.02)%. The total return for the Fund's publicly traded shares was (13.45)%. On September 30, 2011, the Fund's NAV per share was $7.87, while the price of the publicly traded shares closed at $6.69 on the New York Stock Exchange ("NYSE").

Comparative Results

Average Annual Returns through September 30, 2011 (a)

	Quarter	Year to Date	1 Year	3 Year	Since Inception (06/28/07)
Gabelli Healthcare & Wellness^Rx Trust					
NAV Total Return (b)	(13.23)%	0.50%	10.10%	5.39%	1.84%
Investment Total Return (c)	(13.45)	(0.05)	10.57	8.48	(2.45)
S&P 500 Health Care Index	(10.02)	2.52	6.25	3.54	(0.46)
S&P 500 Index	(13.87)	(8.68)	1.14	1.23	(4.41)(d)
S&P 500 Consumer Staples Index	(4.19)	3.38	9.70	5.72	5.31

(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 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.*

Our Approach

The Fund focuses specifically on investing in two long-term trends: the aging of the population, which is driving sustained rapid increases in healthcare expenditures; and consumers, who are increasingly taking their health into their own hands through improved diet and exercise. As the baby boomer generation ages, we anticipate that spending in these areas will grow faster than the overall economy for many years to come. Today, the United States spends 17% of gross domestic product on healthcare; this number could increase to 20% in the next ten years.

The Fund will invest in equity securities of domestic and foreign companies in the healthcare and wellness industries, specifically, companies that are primarily engaged in providing products, services, and/or equipment related to healthcare, medical, or lifestyle needs. Sector investments may include dental, orthopedics, cardiology, hearing aid, life science, in vitro diagnostics, medical supplies and products, aesthetics and plastic surgery, veterinary, pharmacy benefits management, healthcare distribution, healthcare imaging, pharmaceuticals, biotechnology, healthcare plans, healthcare services, and healthcare equipment, as well as food, beverages, nutrition, and weight management. The Fund will focus on companies that are growing globally due to favorable demographic trends, while at the same time seeking to invest at a meaningful discount to Private Market Value. We believe the Fund will allow you to participate more directly in the growing investment opportunities presented in these global industries.

COMMENTARY

The third quarter was extremely challenging for financial markets around the world. The European debt crisis continued unabated as government efforts to address the debt and banking crises were neither fast nor large enough to reassure the markets. This political uncertainty has sharply increased market volatility and negatively impacted the economic outlook, as both corporations and individuals proceed with great caution and fear of loss. While the global economy continues to grow, albeit at a slowing rate, the downside risks have increased significantly, and both fiscal and monetary policy makers have fewer bullets to fire. This has caused a crisis of confidence, sending stock markets around the world sharply lower during the quarter, ranging from 10% in Japan to 25% in Germany and France.

Healthcare

While the macroeconomic issues certainly weighed on the healthcare industry, the bigger issue in the quarter was the continuing debate in the United States over the deficit. The deal to raise the U.S. debt ceiling calls for significant healthcare cuts, either to be determined by the Congressional “Super Committee” or enforced through a 2% across the board cut to providers. President Obama submitted his own recommendations to the Committee, calling for $321 billion in cuts that fell heavily on the hospital and pharmaceutical industries, formerly his allies in passing healthcare reform. The President’s proposal calls for expanding pharmaceutical price discounts, cutting reimbursement rates for hospitals, nursing homes, and rehab hospitals, reducing state Medicaid funding, and charging wealthier beneficiaries higher premiums. Sharp cuts to nursing homes and home nursing agencies were implemented administratively and took effect October 1, 2011. This weighed on the entire healthcare sector, but especially on hospitals such as HCA (–39%), Tenet (–34%), and Community Health (–35%), given their high leverage and relatively fixed cost structures.

The industry was also rattled by a pricing dispute between Walgreens (–23%) and Express Scripts. Contract renewal talks between the country’s largest pharmacy chain and the Pharmacy Benefit Manager (PBM) have very publicly broken down over the level of dispensing fees, mail order prescriptions, and other issues. While we still expect the two companies to eventually settle for the good of both businesses, the uncertainty has weighed on both stocks. Should they be unable to reach an agreement, both divisions of CVS/Caremark (–10%) would see substantial additional business.

Consumer

Our consumer holdings were not immune from the stock market decline, although in general they held up better than the overall market. Companies with an especially strong health & wellness positioning, such as healthy spreads manufacturer Smart Balance (+13.9%), natural grocer Whole Foods Market (+2.9%) and infant nutrition producer Mead Johnson (+1.9%) actually increased during the quarter. Many of our Japanese holdings, including soy sauce maker Kikkoman (+10.4%), probiotics leader Yakult Honsha (+9.1%), and tea producer Ito En (+4.7%) increased in U.S. dollar terms, in part due to the appreciation of the Japanese yen. Conversely, European holdings including Danone (–16.9%) and Unilever (–3.7%) declined in part due to the euro's weakness, as did companies with significant European exposure such as Sara Lee (–13.9%). Traditional supermarkets such as Safeway (–28.8%) and SuperValu (–29.2%) fared poorly in the quarter due to concern about the impact of a worsening economy on consumer spending. Economic headwinds notwithstanding, we continue to observe the long-term trend of consumers seeking healthier food and beverage options and find attractively valued companies with product portfolios that play into this trend.

Deals, Deals, and More Deals

We continue to be in the early innings of the "Fifth Wave" in corporate deal making, as companies deploy ample cash balances and take advantage of cheap financing to position themselves better for the future. The Fund benefited from several announced or potential acquisitions in the third quarter:

Kinetic Concepts is the leading manufacturer of wound care products with a proprietary negative pressure technology that removes debris and speeds healing of even the most serious wounds. Kinetic Concepts has initiatives underway to launch multiple new products, enter the Japanese market, and outsource manufacturing to more tax-advantaged locations. These initiatives will diversify the company and position it well to deal with increasingly aggressive competition and potential reimbursement cuts. On July 13, 2011, Apax Partners and the Canadian Pension Plan agreed to take KCI private for $68.50 per share in cash, allowing the company to continue its multi-year transition free of the pressure of being a public company.

Medco Health Solutions is one of the "Big Three" pharmacy benefits managers in the country, linking patients, payers, and pharmacies together to encourage the most cost efficient use of prescription drugs. For years Medco has won new business by leading the industry in the development of new clinical programs to lower costs and improve quality. This year Medco lost several key contracts to rivals such as CVS/Caremark and UnitedHealth Group. As these contract losses mounted, rival Express Scripts agreed to acquire Medco, believing that the combined company could reap as much as $1 billion in annual cost savings. This deal could close in the first half of 2012 after a lengthy antitrust review.

As many of our holdings are potential takeover candidates trading at a discount to Private Market Value, we believe the Fund is positioned well for a pickup in mergers and acquisitions ("M&A") activity.

Let's Talk Stocks

The following are stock specifics on selected holdings of our Fund. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time. Individual securities mentioned are not necessarily representative of the entire portfolio. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of September 30, 2011.

Bristol-Myers Squibb Co. (BMY - $31.38 - NYSE) is a leading pharmaceutical company that has pursued a "string of pearls" strategy to build a strong pipeline of new medicines in areas ranging from oncology to blood thinners. BMY benefited in the quarter from the strong launch of Yervoy, a novel treatment for advanced skin cancer that could be a

$1 billion blockbuster. Eliquis, a next generation blood thinner currently in late stage clinical trials, has shown excellent results and could be a multi billion dollar opportunity when it launches next year. BMY is also investing heavily in numerous standalone and combination treatments for Hepatitis C, a chronic unmet need worldwide. With a promising pipeline of new drugs and a healthy 4% dividend, BMY remains an attractive investment.

Cantel Medical Corp. (CMN - $21.12 - NYSE) manufactures water purification and infection control products, with a particular focus on kidney dialysis and endoscopy. The company has grown both organically and through a series of small acquisitions that add new products and distribution capabilities. On August 2, 2011, Cantel made its largest acquisition to date, paying $100 million for privately held Byrne Medical. Byrne's line of disposable endoscopy products should boost Cantel's organic growth rate and be immediately accretive to earnings. The two companies can realize substantial sales and manufacturing synergies, boosting both growth and margins into the future.

HCA Holdings Inc. (HCA - $20.16 - NYSE), headquartered in Nashville, TN, owns 157 hospitals around the country. After a successful IPO in March 2011, the company reported weak second quarter admissions in July, particularly among Medicare patients and in the high value cardiology department. During the debt ceiling debate, numerous reimbursement cuts were proposed for hospitals, further weighing on the stock and taking the valuation down to less than six times earnings. HCA took advantage of this uncertainty to repurchase over 15% of its shares outstanding, boosting annual earnings by over $0.30 per share. While the environment may be challenging, HCA has the scale and the strong management team to navigate until the economy improves.

Mead Johnson Nutrition Co. (MJN - $68.83 - NYSE) is a global pediatric nutrition company, holding the leading position in the U.S. infant formula market with its Enfamil brand. Pediatric nutrition is a $24 billion category globally and is expected to grow to $34 billion by 2015. International markets represent over two-thirds of Mead's sales. China is the company's largest market outside the U.S., which, together with Hong Kong, contributed $745 million in sales in 2010 (24% of total). The company plans to add fifty more cities to its base of 193 cities in China in 2011. Mead's largest market, the U.S., has been weak in recent years due to the economy and a decline in the birth rate, though the company has been increasing market share in recent quarters on the strength of new products such as Enfamil Premium. We expect the U.S. market to recover, as births will eventually increase again with a stabilizing and growing economy. We believe that Mead Johnson has exceptional top and bottom line growth prospects on a standalone basis and that the company could be an attractive takeover candidate for a larger food and beverage company.

Smart Balance Inc. (SMBL - $5.90 - Nasdaq) offers healthy products under the Smart Balance and Earth Balance brands, including buttery spreads and butter blend sticks, milk, peanut butter, cooking oil and cooking sprays, omega plus light mayonnaise, popcorn, and sour cream. Smart Balance products, anchored by the core Smart Balance spread, provide a healthy alternative to regular products yet have a full flavor taste profile. Earth Balance products are similar, but are aimed at the rapidly growing natural and organic market. In 2011, the company expects to return to growth after two years of lackluster performance, and it is rolling out Smart Balance milk nationally. Additionally, Earth Balance soy milk has recently gained national distribution at Whole Foods. On August 3, 2011, the company acquired the Glutino Food Group for $66 million, which sells products in the rapidly growing $2 billion gluten-free food market. We expect the company to continue to grow in core and adjacent categories in coming years, and believe it could eventually be an acquisition target for a larger food company.

Whole Foods Market Inc. (WFM - $65.31 - Nasdaq), based in Austin, TX, is a leading natural and organic foods supermarket. The company operates 309 stores, 298 of which are located in the U.S., six in Canada, and five in the U.K. Since going public in 1991, sales have grown from $92 million to over $9 billion in 2010, driven by the heightened awareness of the role good nutrition plays in healthy living. We believe Whole Foods is well positioned to benefit from this trend. In 2009, the total natural and organic products category grew approximately 5% to $76 billion, and is expected to grow by nearly 20% through 2012. With its "Whole Foods, Whole People, Whole Planet" motto, the company has attracted a broad base of loyal customers and seen improvement in comparable store sales (+7.1% and +8.4% in fiscal 2010 and through first three quarters of fiscal 2011, respectively), driven by increasing store traffic and basket size. By emphasizing an extensive selection of perishable products, the company has some of the highest per square foot sales in the food retailing industry, generating average sales per square foot of almost $850 over the last five years.

Sincerely,

Mario J. Gabelli, CFA Portfolio Manager and Chief Investment Officer	**Kevin V. Dreyer** Associate Portfolio Manager	**Jeffrey J. Jonas, CFA** Associate Portfolio Manager

October 18, 2011

Top Ten Holdings
September 30, 2011

Nestlé SA	CVS Caremark Corp.
Continuecare Corp.	Abbott Labratories
Mead Johnson Nutrition Co.	Sara Lee Corp.
Cephalon Inc.	General Mills Inc.
Whole Foods Market Inc.	Kinetic Concepts Inc.

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Portfolio Managers' Shareholder Commentary represents the opinions of the individual Portfolio Managers and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Managers and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

Portfolio Manager Compensation

Mr. Gabelli's incentive based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus, and no stock options.

As founder and portfolio manager of The Gabelli Healthcare & Wellness^{Rx} Trust, Mr. Gabelli received $48,786 in calendar year 2010. For the Fund's first twelve months of operation starting in June 2007, Mr. Gabelli received less than $45,000. Mario J. Gabelli and various entities he is deemed to control owned 178,027 common shares of the Fund with a total value of $1,190,999, as of September 30, 2011. Mr. Gabelli may not have one hundred percent pecuniary interest in some of the entities he is deemed to control.

5.76% Series A Cumulative Preferred Shares

The Fund's Series A Cumulative Preferred Shares paid a $0.36 per share cash distribution on September 26, 2011 to preferred shareholders of record on September 19, 2011. The Series A Preferred Shares, which trade on the NYSE under the symbol "GRX Pr A," are rated "AAA" by Standard & Poor's Ratings Services and have an annual dividend rate of $1.44 per share. The Series A Preferred Shares will be callable at any time at the liquidation value of $25.00 per share plus accrued dividends following the expiration of the five year call protection on August 20, 2015. The next distribution is scheduled for December 2011. The Fund is authorized to purchase its Series A Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of $25.00 per share. The Fund did not repurchase any Series A Preferred Shares during the third quarter of 2011.

The Board shares the Investment Adviser's view that the issuance of the Preferred Shares is designed to benefit the common shareholders. To the extent that the Fund earns in excess of the dividend rate on the Preferred Shares, additional value will thereby be created for its common shareholders.

A portion of the distributions may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Short-term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Under federal tax regulations, some or all of the return of capital distributed by the Fund may be taxable as ordinary income in certain circumstances. This may occur when the Fund has a capital loss carryforward, net capital gains are realized in a fiscal year and distributions are made in excess of investment company taxable income. Based on the accounting records of the Fund as of September 16, 2011, each of the distributions paid in 2011 would be deemed 100% from net capital gains. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). The final determination of the sources of all distributions in 2011 will be made after year end and can vary from the quarterly estimates. All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2011 distributions in early 2012 via Form 1099-DIV.

Common Share Repurchase Plan

On February 22, 2007, the Board of Trustees of the Fund (the "Board") voted to authorize the repurchase of the Fund's common shares in the open market from time to time when such shares are trading at a discount of 10% or more from NAV. In total through September 30, 2011, the Fund has repurchased and retired 46,239 common shares in the open market under this share repurchase plan at an average investment of $6.88 per share and an average discount of approximately 17% from its NAV.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

e-delivery

We are pleased to offer electronic delivery of Gabelli fund documents. Shareholders of our closed-end funds can now elect to receive e-mail announcements regarding available materials, including shareholder commentaries and fund reports. For more information or to register for e-delivery, please visit our website at www.gabelli.com.

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 Fund 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.

- *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.
- *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.

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

	Common	5.76% Preferred
NYSE–Symbol:	GRX	GRX PrA
Shares Outstanding:	11,237,260	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.

The NASDAQ symbol for the Net Asset Value per share 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

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.

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GRX Sep/2011