

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

Shareholder Commentary – June 30, 2018

(Y)our Portfolio Management Team



**Mario J. Gabelli, CFA**  
Chief Investment Officer



**Kevin V. Dreyer**  
Co-Chief Investment Officer  
BSE, University of Pennsylvania  
MBA, Columbia Business School



**Jeffrey J. Jonas, CFA**  
Portfolio Manager  
BS, Boston College

## To Our Shareholders,

For the quarter ended June 30, 2018, the net asset value (“NAV”) total return of The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust (the “Fund”) was 7.2%, compared with a total return of 3.1% for the Standard & Poor’s (“S&P”) 500 Health Care Index. The total return for the Fund’s publicly traded shares was 6.8%. The Fund’s NAV per share was \$11.84, while the price of the publicly traded shares closed at \$10.02 on the New York Stock Exchange (“NYSE”).

## Comparative Results

### Average Annual Returns through June 30, 2018 (a)

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Since Inception (06/28/07)</u>
<b>Gabelli Healthcare &amp; Wellness<sup>Rx</sup> Trust</b>						
NAV Total Return (b) . . . . .	7.16%	3.42%	2.25%	9.38%	11.72%	9.63%
Investment Total Return (c) . . . . .	6.82	(2.75)	1.25	7.44	11.16	7.65
S&P 500 Health Care Index . . . . .	3.09	7.11	5.68	13.77	12.73	10.21
S&P 500 Index . . . . .	3.43	14.37	11.93	13.42	10.17	7.80
S&P 500 Consumer Staples Index . . . . .	(1.54)	(3.93)	5.52	8.17	9.94	9.06
50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index ("The Blended Index") . . . . .	0.78	1.59	5.60	10.97	11.34	9.64

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods 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, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$8.00.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$8.00.

## **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 18% 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 stock market climbed higher on the back of accelerating economic growth in the United States during the second quarter. Corporate earnings remain extremely robust, due not just to corporate tax cuts, but also to fundamental factors, including strong revenue growth, an improvement in many commodity prices, and favorable foreign exchange rates. Our new territorial tax system and repatriation rules have freed up hundreds of billions of dollars for capital investment, dividends, share buybacks, and acquisitions. Business confidence and spending remain high, fueled in part by fiscal stimulus that has more than offset the volatility created by rising trade and tariff tensions. Employment growth has remained steady, with modest but not excessive acceleration in wage growth. Inflation has become more of a concern, although it is just hitting the Federal Reserve's 2% target. The balance sheet of the American consumer is in good shape and he/she is spending at an increasing rate. However, growth in Europe has slowed this year, and political tensions have increased in many countries. This uncertainty in Europe, combined with tighter U.S. monetary policy, has led to a significant strengthening of the dollar against the euro and most other major currencies. Foreign exchange rates will no longer be the significant tailwind for sales and earnings that they have been for the last several quarters. While the economic situation looks positive at the moment, we do expect greater uncertainty going forward as we seek to resolve trade disputes and approach the midterm elections. We believe this year will continue to favor active stock pickers with greater dispersion of equity returns.

## **Healthcare**

Members of the Trump administration, including the President himself, gave numerous speeches on drug pricing during the second quarter, which typically contained harsh rhetoric against pharmaceutical companies, pharmacy benefits managers, and drug wholesalers, but proposed only very modest, incremental policy

changes. It is clear that this administration wants to change the current system of high list prices that are partially offset by high rebates. Rebates can vary widely, based on a person's insurance status, and are very opaque, creating a real lack of transparency around drug pricing. We believe drug wholesalers and pharmacy benefits managers will continue to have a role to play, even if their compensation and contracting arrangements must change. Competition from new players such as Amazon, which acquired mail order pharmacy PillPack for an estimated \$1 billion, will also be very positive for consumers and payors while pressuring incumbent firms. These factors weighed on pharmacy Walgreens Boots Alliance (-8%) and drug wholesalers McKesson (-5%) and AmerisourceBergen (-1%) throughout the quarter.

On June 12, 2018, Judge Leon of the DC District Court issued one of the most consequential antitrust decisions in many years. He decisively ruled that AT&T can merge with Time Warner, finding that the government failed to prove that this vertical merger would result in higher prices or consumer harm. This case has significant implications for the health care industry, which itself is undergoing large scale vertical and horizontal consolidation. This ruling increases the odds that the government will allow CVS Health (+4%) to acquire Aetna (+9%) and Cigna (+1%) to acquire Express Scripts (+12%). The "spread" between the deal price and the price that the targets were trading at narrowed significantly as investors priced in a higher likelihood of the deals closing. We believe that the appetite for large scale mergers and acquisitions remains strong, and that we will see more deals in the coming quarters.

Many of our smaller and mid-cap holdings were our best performers this quarter. These companies are generally more domestically oriented, and they are seeing greater relative benefits from tax reform with less exposure to global trade and foreign exchange volatility. Cancer testing laboratory Neogenomics (+61%) announced a new strategic partnership with contract research organization PPD and also improved its capital structure by redeeming preferred stock issued to fund a past acquisition. Bio Telemetry (+45%) moved to enter the high growth cardiac monitoring patch and remote diabetes monitoring markets. Surmodics (+45%) continued to benefit from last quarter's licensing agreement with Abbott Labs (+2%), and also acquired an early stage product to treat blood clots in the veins.

## **Consumer**

Despite continued challenges for consumer stocks in the second quarter, the consumer portion of the Fund rose modestly. Notably, merger and acquisition (M&A) activity returned to the sector. The top contributing consumer stock was Pinnacle Foods (+21%), which agreed to be acquired by another Fund holding, ConAgra Brands (-3%) for \$11 billion in cash and stock. Pinnacle owns the Birds Eye vegetable brand as well as other leading food brands such as Duncan Hines, Vlasic, Wish Bone, and Udi's. The \$11 billion deal values Pinnacle at nearly 16x 2018 EBITDA, a price we view as full but fair. The combination would strengthen ConAgra's already significant presence in the growing frozen foods category. While ConAgra's stock price declined due to the pending issuance of shares, we believe the deal has financial and strategic merit, and expect CAG CEO Sean Connolly to deliver upon his synergy and accretion targets from the transaction.

Other top contributors included Post Holdings (+14%), which posted strong results following the close of its acquisition of Bob Evans and continues to make progress towards either selling or taking public its private label food business. Lamb Weston (+18%) also rose, as it reported yet another outstanding quarter, with net sales up 12% and adjusted EBITDA up 25%, as it is benefiting from its capacity expansion amid continued

favorable supply/demand dynamics for potatoes. Finally, shares of Kroger (+19%) rose, as the supermarket delivered solid results despite continued pressure from e-commerce competitors as well as hard discounters.

In addition to ConAgra, M&A also led to the decline of ingredients maker International Flavors & Fragrances (-9%), which announced the acquisition of Frutarom for cash and stock in a \$7 billion deal. Health and wellness food and beverage maker Danone (-7%) declined in U.S. dollar terms, largely due to weakness in the euro, though the company continues to deliver strong sales growth following its acquisition of WhiteWave Foods. The strong dollar also impacted the U.S. dollar share performance of Japanese probiotic maker Yakult Honsha (-10%). JM Smucker (-13%) also declined due to a disappointing quarterly earnings result.

## **Deals, Deals, and More Deals**

- Integer Holdings agreed to divest its surgical and orthopedics manufacturing division to private equity-backed MedPlast for \$600 million in cash. This represents an excellent price to Integer and allows the company to de-lever its balance sheet by paying down some very expensive debt. This divestiture will be highly accretive to earnings, neutral to cash flow, and gives Integer significantly more strategic and balance sheet flexibility for the future.
- On May 7, activist investor Elliott Management went public with a \$160 per share cash offer for healthcare technology firm athenahealth. Elliott has been advocating for change at athenahealth for almost a year, pushing for an improved management team, better execution, and increased financial discipline. On June 6th, athenahealth announced the departure of its CEO, Jonathan Bush, and announced that the company would run a formal sales process. We believe athenahealth is an attractive asset that will attract interest from both health care and technology companies, as well as private equity firms.
- On May 8, Takeda Pharmaceuticals and Shire Plc finalized their agreement to merge in a \$64 billion cash and stock deal. The combined company will have a truly global reach and be a leader across rare diseases, neuroscience, and gastroenterology. After the deal closes in the first half of 2019, Takeda shares will be listed on both the Tokyo and New York stock exchanges. The combined company expects to realize \$1.4 billion in cost synergies and will have strong cash flow to quickly repay debt and pay modest dividends.
- After a lengthy strategic review, Envision Healthcare agreed to be taken private by private equity firm KKR for \$46 per share, an almost \$10 billion deal. Envision ran into challenges last year, missing guidance several quarters in a row as surgical procedures and emergency room visits slowed across the industry. This prompted the strategic review along with a process of cost cutting and contract renegotiation with Envision's partners. While we had hoped that the \$46 price would be slightly higher, the deal was heavily shopped, and we do view the price and multiple paid as reasonably fair.
- InfuSystem is a leading lessor and servicer of infusion pumps across much of the United States. The company is in the midst of a turnaround after an aggressive growth plan was cut short by a reimbursement change from its primary payor, Medicare. New management has been turning the company around, while also fending off several takeover bids from activist shareholders and private equity groups. We believe the latest bid, for \$3.75 per share from Meson Capital and Argonne Capital,

still undervalues the company. We believe management can create more value by continuing the company's turnaround process, paying down debt, and buying back a limited amount of stock.

- As mentioned above, ConAgra Brands agreed to acquire Pinnacle Foods for \$68 per share (\$43.11 per share in cash and 0.6494 CAG shares per PF share) in an \$11 billion transaction. The combined company will be a leader in the fast-growing frozen foods and snacking categories. The transaction is expected to be accretive in the first full fiscal year after closing, and we believe there may be upside to the synergy target of \$225 million.

## 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. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of June 30, 2018.

*Cardiovascular Systems Inc. (CSII – \$32.34 – NASDAQ)* manufactures the Diamondback system to remove calcium from arteries in the heart and legs. This device has significant safety and efficacy advantages over its competitors and has been gaining market share at a slow but steady rate. Management is now looking to leverage the company's salesforce by adding additional accessory products like guidewires and catheters that are also used during the procedure. The company entered the Japanese market last year and will be entering the European market later this year through distribution partners. Cardiovascular is currently operating at a breakeven level of profitability and has significant room for growth and margin improvement in the coming years.

*ConAgra Brands Inc. (CAG – \$35.73 – NYSE)* headquartered in Chicago, Illinois, is a manufacturer and marketer of food products, with brands including Healthy Choice meals, Hebrew National hot dogs, Orville Redenbacher's popcorn, PAM cooking spray, Reddi-wip, and Slim Jim. The company has undergone tremendous change since CEO Sean Connolly, formerly of Hillshire, took over in 2015. The company sold its private label business to TreeHouse Foods for \$2.7 billion in February 2016, and spun off its Lamb Weston potato business later that year. Now, as a pure-play branded food company, ConAgra is focusing on better innovation and marketing, especially in on-trend health and wellness areas. At the same time, it is delivering improved profitability through pricing and operating efficiency. New products include Healthy Choice Power Bowls, cage free Egg Beaters, coconut and almond milk Reddi-wip, and Slim Jim Premium. In June, the company agreed to acquire Pinnacle Foods, adding leading brands such as Birds Eye vegetables, Duncan Hines baking mixes, Vlasic pickles, Wish Bone salad dressings, and Udi's gluten-free breads and meals. The \$11 billion transaction is expected to be accretive in the first full fiscal year after closing, and we believe there may be upside to the synergy target of \$225 million.

*Evolent Health Inc. (EVH – \$21.05 – NYSE)* recovered from several concerns and controversies in 2017. The company continues to post rapid revenue growth and significant operating leverage, and held a successful analyst day in May. They signed several new customer contracts for both 2018 and 2019, locking in continued growth. Customer retention has been high, and the company has been disciplined on the acquisition front, especially in not acquiring any more health plans. Evolent has high visibility into its recurring revenue base,

and is leveraging its significant technology investments. The company is approaching profitability and has significant growth ahead of it.

*International Flavors & Fragrances Inc. (IFF – \$123.96 – NYSE)*, based in New York, is a leading global supplier of flavor, fragrances and ingredients used in food, beverage, and personal and household care products. Many of the company's products help food manufacturers enhance the taste profile of their products while making them healthier by reducing sugar, sodium, or fat content. It is the second largest manufacturer in the estimated \$25 billion global industry. IFF continues to benefit from the growth of packaged food and personal/household care products in emerging markets, which represents nearly half its revenue, as well as from new product, innovation in developed markets. In May, IFF announced it agreed to acquire Israeli-based Frutarom for \$7 billion in cash and stock. Frutarom was built on dozens of acquisitions over decades, and is primarily a flavor business catering to small to medium-sized local and regional customers. Like IFF, the company has high exposure to emerging markets, which constitutes 43% of sales, and approximately 70% of its products are natural. Organic growth has been about 6%, as its customers are faster growing compared to larger multinationals. Approximately, \$550 million of Frutarom's sales are in adjacent categories where IFF does not compete meaningfully, such as natural colors, health ingredients, natural food protection, and enzymes.

*Ligand Pharmaceuticals Inc. (LGND – \$207.17 – NASD)* owns important patents around key drug delivery and antibody technologies that it licenses to a wide range of pharmaceutical and biotech companies. Ligand generates high margin royalty revenue without the high R&D costs and risks of developing drugs itself. Demand for its technology remains high, and the company signed new licensing deals this quarter with Johnson & Johnson, WuXi Biologics, and several other smaller firms. Ligand is highly profitable and its partners have a strong portfolio of growing, currently marketed drugs as well as late stage drug candidates that are nearing approval and should contribute to growth in the near future.

*United Natural Foods Inc. (UNFI – \$42.66 – NASDAQ)* is the largest distributor of natural and organic foods in the U.S., with roughly 12% share of the domestic market. Natural and organic food is over \$100 billion at retail and growing high single digits. UNFI has invested heavily in its capabilities and is well positioned to take advantage of its scale and the secular growth of the sector. The company recently completed two acquisitions, Haddon House Food Products and Nor-Cal Produce, which will expand its presence in the growing ethnic gourmet and produce categories. The company's stock price declined upon the announcement of the takeover of Whole Foods Market by Amazon, on fears that UNFI's margins will be squeezed (or worse, that it will be replaced) by the new owner of its largest customer. While we do agree there is risk in dealing with Amazon, we note that it is already a UNFI customer, UNFI has a contract with Whole Foods through 2025 and, as a stand-alone entity within Amazon, we highly doubt that Whole Foods will look to make significant changes with its most important supplier. We believe the company will continue to deliver sales and earnings growth along with the natural and organic market, will benefit from a reinvigorated major customer in Whole Foods under Amazon ownership, and could also be an attractive takeover candidate for a larger food distributor seeking to enter the natural and organic sector – or even Amazon itself.

July 24, 2018

**Top Ten Holdings**  
**June 30, 2018**

Thermo Fisher Scientific Inc.	CVS Health Corp.
Johnson & Johnson	Pinnacle Foods Inc.
Abbott Laboratories	AmerisourceBergen Corp.
Kikkoman Corp.	Danone SA
Envision Healthcare Corp.	Evolent Health 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 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. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund's annual proxy statement.

### **Common Share Repurchase Plan**

On February 22, 2007, 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 June 30, 2018, the Fund has repurchased and retired 199,427 common shares in the open market under this share repurchase plan, at an average investment of \$9.63 per share and an average discount of approximately 13% from its NAV. No shares were repurchased during the second quarter of 2018.

### **Quarterly Distribution Policy for Common Shareholders**

The Board of Trustees of the Fund (the "Board") has reaffirmed the continuation of the Fund's quarterly distribution policy. Pursuant to its distribution policy, the Fund paid a \$0.13 per share cash distribution on June 22, 2018, to common shareholders of record on June 15, 2018. The Fund plans to pay a distribution determined each quarter by the Board. The Board may change the amount of the quarterly distribution at any time. In addition to the quarterly distributions, and in accordance with the minimum distribution requirements of the Internal Revenue Code, the Fund may pay an adjusting distribution in December which includes any additional income and net realized capital gains in excess of the quarterly distributions for that year.

Each quarter, the Board will review the amount of any potential distribution and the income, capital gain or capital available. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's net asset value and the financial market environment. The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's earnings would be deemed a return of capital. Because this would be considered a return of a portion of a shareholder's original investment, it is generally not taxable and would be treated as a reduction in the shareholder's cost basis. Despite the challenges of the extra record keeping, a distribution that incorporates a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders.

Long term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the accounting records of the Fund currently available, each of the distributions paid to common shareholders in 2018 represents approximately 4% from net investment income, 90% from net capital gains, and 6% from paid-in capital on a book basis. 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](http://www.gabelli.com)). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

#### **5.76% Series A Cumulative Preferred Shares**

The Fund's Series A Cumulative Preferred Shares paid a \$0.36 per share cash distribution on June 26, 2018, to preferred shareholders of record on June 19, 2018. The Series A Preferred Shares, which trade on the NYSE under the symbol "GRX Pr A," are rated "A2" by Moody's Investors Service and have an annual dividend rate of \$1.44 per share. The Series A Preferred Shares were issued on August 20, 2010, at \$25 per share and pay distributions quarterly. After five years of call protection, the Series A Preferred Shares became callable at any time at the liquidation value of \$25 per share plus accrued dividends. The next distribution is scheduled for September 2018. 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. No Series A Preferred Shares have been repurchased to date.

#### **5.875% Series B Cumulative Preferred Shares**

The Fund's Series B Cumulative Preferred Shares paid a \$0.3671875 per share cash distribution on June 26, 2018, to preferred shareholders of record on June 19, 2018. The Series B Preferred Shares, which trade on the NYSE under the symbol "GRX Pr B," are rated "A2" by Moody's Investors Service and have an annual dividend rate of \$1.46875 per share. The Series B 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 September 24, 2019. The next distribution is scheduled for September 2018. The Fund is authorized to purchase its Series B 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. No Series B Preferred Shares have been repurchased to date. When the Series B Preferred Shares are trading at a premium to their liquidation preference of \$25.00 plus accrued interest, the Fund may issue shares pursuant to its prospectus supplement in "at the market" offerings. Through June 30, 2018, the Fund has issued 81,443 Series B Preferred Shares.



Long 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. Based on the accounting records of the Fund currently available, each of the distributions paid to preferred shareholders represents approximately 4% from net investment income and 96% from net capital gains on a book basis. 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](http://www.gabelli.com)). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

### **Tax Treatment of Distributions to Common and Preferred Shareholders**

All or part of the distribution may be treated as long term capital gain or qualified dividend income (or a combination of both) for individuals, each subject to the maximum federal income tax rate, which is currently 20% in taxable accounts for individuals. In addition, certain U.S. shareholders who are individuals, estates, or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surcharge on their “net investment income,” which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund.

### **[www.gabelli.com](http://www.gabelli.com)**

Please visit us on the Internet. Our homepage at [www.gabelli.com](http://www.gabelli.com) contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Closed-End Funds and 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](mailto:closedend@gabelli.com).

You may sign up for our e-mail alerts at [www.gabelli.com](http://www.gabelli.com) and receive 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](http://www.gabelli.com).

## **THE GABELLI HEALTHCARE & WELLNESS<sup>Rx</sup> TRUST AND YOUR PERSONAL PRIVACY**

### **Who are we?**

The Gabelli Healthcare & Wellness<sup>Rx</sup> 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 and affiliates that provide investment advisory 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](http://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.

**THE GABELLI HEALTHCARE & WELLNESS<sup>Rx</sup> TRUST**  
**One Corporate Center**  
**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.

**Kevin V. Dreyer** joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

**Jeffrey J. Jonas, CFA**, joined Gabelli in 2003 as a research analyst focusing on companies across the healthcare industry. In 2006 he began serving as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

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

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "Specialized Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "Specialized Equity Funds."

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

The NASDAQ symbol for the Net Asset Value per share is "XXGRX."

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.

**This report is printed on recycled paper.**

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

One Corporate Center  
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e [info@gabelli.com](mailto:info@gabelli.com)

[GABELLI.COM](http://GABELLI.COM)



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FUNDS

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

### TRUSTEES

Mario J. Gabelli, CFA  
Chairman &  
Chief Executive Officer,  
GAMCO Investors, Inc.  
Executive Chairman,  
Associated Capital Group Inc.

Anthony S. 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.

Jeffrey J. Jonas, CFA  
Vice President &  
Portfolio Manager,  
Gabelli Funds, LLC

Robert C. Kolodny, MD  
Physician,  
Principal of KBS  
Management LLC

Kuni Nakamura  
President,  
Advanced Polymer, Inc.

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

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

### OFFICERS

Agnes Mullady  
President

Andrea R. Mango  
Secretary & Vice President

John C. Ball  
Treasurer

Richard J. Walz  
Chief Compliance Officer

Bethany A. Uhlein  
Vice President & Ombudsman

David I. Schachter  
Vice President

Adam E. Tokar  
Vice President

### INVESTMENT ADVISER

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

### CUSTODIAN

The Bank of New York Mellon

### COUNSEL

Willkie Farr & Gallagher LLP

### TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.

# GRX

*Shareholder Commentary*

*June 30, 2018*

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

## Semiannual Report — June 30, 2018

### (Y)our Portfolio Management Team



**Mario J. Gabelli, CFA**  
Chief Investment Officer



**Kevin V. Dreyer**  
Co-Chief Investment Officer  
BSE, University of Pennsylvania  
MBA, Columbia Business School



**Jeffrey J. Jonas, CFA**  
Portfolio Manager  
BS, Boston College

### To Our Shareholders,

For the six months ended June 30, 2018, the net asset value (“NAV”) total return of The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust (the “Fund”) was 3.1%, compared with a total return of 1.8% for the Standard & Poor’s (“S&P”) 500 Health Care Index. The total return for the Fund’s publicly traded shares was (0.4)%. The Fund’s NAV per share was \$11.84, while the price of the publicly traded shares closed at \$10.02 on the New York Stock Exchange (“NYSE”). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of June 30, 2018.

### Comparative Results

#### Average Annual Returns through June 30, 2018 (a) (Unaudited)

	Year to Date	1 Year	3 Year	5 Year	10 Year	Since Inception (06/28/07)
<b>Gabelli Healthcare &amp; Wellness<sup>Rx</sup> Trust</b>						
NAV Total Return (b) . . . . .	3.10%	3.42%	2.25%	9.38%	11.72%	9.63%
Investment Total Return (c) . . . . .	(0.41)	(2.75)	1.25	7.44	11.16	7.65
S&P 500 Health Care Index . . . . .	1.83	7.11	5.68	13.77	12.73	10.21
S&P 500 Index . . . . .	2.65	14.37	11.93	13.42	10.17	7.80
S&P 500 Consumer Staples Index . . . . .	(8.55)	(3.93)	5.52	8.17	9.94	9.06
50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index (“The Blended Index”) . . . . .	(3.36)	1.59	5.60	10.97	11.34	9.64

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods 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, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$8.00.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$8.00.

## Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of June 30, 2018:

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

Food .....	23.0%	Household and Personal Products .....	4.0%
Health Care Providers and Services...	17.5%	Electronics .....	2.4%
Health Care Equipment and Supplies .	17.3%	Specialty Chemicals.....	1.3%
Pharmaceuticals .....	13.7%	Financial Services .....	0.3%
Beverages .....	6.2%	Hotels and Gaming .....	0.2%
Food and Staples Retailing .....	5.1%		<u>100.0%</u>
Biotechnology .....	4.6%		
U.S. Government Obligations.....	4.4%		

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

### Proxy Voting

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

### Certifications

The Fund’s Chief Executive Officer has certified to the New York Stock Exchange (“NYSE”) that, as of June 8, 2018, 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<sup>Rx</sup> Trust  
Schedule of Investments — June 30, 2018 (Unaudited)

Shares		Cost	Market Value	Shares		Cost	Market Value
<b>COMMON STOCKS — 95.6%</b>				74,295	Lifeway Foods Inc.†	\$ 735,962	\$ 373,704
<b>Beverages — 6.2%</b>				23,000	Maple Leaf Foods Inc.	410,536	581,539
60,000	China Mengniu Dairy Co. Ltd.	\$ 134,296	\$ 203,426	15,000	MEIJI Holdings Co. Ltd.	310,384	1,265,411
69,000	Danone SA	4,505,091	5,065,957	110,000	Mondelēz International Inc., Cl. A.	3,210,260	4,510,000
40,000	Dr Pepper Snapple Group Inc.	3,066,679	4,880,000	60,000	Nestlé SA	3,538,793	4,659,194
41,000	ITO EN Ltd.	971,431	1,899,743	80,000	Pinnacle Foods Inc.	4,210,604	5,204,800
29,000	Massimo Zanetti Beverage Group SpA	354,756	244,853	55,000	Post Holdings Inc.†	2,015,206	4,731,100
7,000	Morinaga Milk Industry Co. Ltd.	121,875	261,753	33,000	The Hain Celestial Group Inc.†	810,342	983,400
300,000	Parmalat SpA	823,484	1,012,484	28,500	The J.M. Smucker Co.	1,785,990	3,063,180
20,000	PepsiCo Inc.	1,352,672	2,177,400	70,000	The Kraft Heinz Co.	4,857,652	4,397,400
30,000	Suntory Beverage & Food Ltd.	1,001,275	1,281,669	110,000	Tingyi (Cayman Islands) Holding Corp.	176,608	255,175
424,000	Vitasoy International Holdings Ltd.	253,570	1,356,480	75,000	Unilever plc, ADR	2,456,359	4,146,000
		12,585,129	18,383,765	70,000	Yakult Honsha Co. Ltd.	2,252,034	4,678,679
						43,818,221	68,889,346
<b>Biotechnology — 4.6%</b>				<b>Food and Staples Retailing — 5.1%</b>			
21,400	Alexion Pharmaceuticals Inc.†	2,401,425	2,656,810	81,000	CVS Health Corp.	3,020,612	5,212,350
30,000	Charles River Laboratories International Inc.†	2,956,427	3,367,800	30,000	Ingles Markets Inc., Cl. A	454,430	954,000
5,000	Foundation Medicine Inc.†	682,850	683,500	40,000	Sprouts Farmers Market Inc.†	861,961	882,800
2,000	Idorsia Ltd.†	20,590	53,115	100,000	The Kroger Co.	1,307,173	2,845,000
4,000	Illumina Inc.†	212,969	1,117,160	97,000	United Natural Foods Inc.†	3,931,250	4,138,020
20,000	Invitae Corp.†	186,080	147,000	20,000	Walgreens Boots Alliance Inc.	1,281,136	1,200,300
8,000	Ligand Pharmaceuticals Inc.†	780,389	1,657,360			10,856,562	15,232,470
140,000	NeoGenomics Inc.†	1,078,155	1,835,400	<b>Health Care Equipment and Supplies — 17.3%</b>			
160,000	Osiris Therapeutics Inc.†	1,264,098	1,544,000	5,000	Abaxis Inc.	414,875	415,050
1,200	Regeneron Pharmaceuticals Inc.†	420,992	413,988	52,000	Baxter International Inc.	2,166,154	3,839,680
22,000	Tetraphase Pharmaceuticals Inc.†	140,483	78,540	14,500	Becton, Dickinson and Co.	2,987,251	3,473,620
1,600	Waters Corp.†	197,843	309,744	42,000	Boston Scientific Corp.†	274,154	1,373,400
		10,342,301	13,864,417	105,000	Cardiovascular Systems Inc.†	2,539,976	3,395,700
<b>Electronics — 2.4%</b>				13,000	Cutera Inc.†	100,390	523,900
35,000	Thermo Fisher Scientific Inc.	4,206,605	7,249,900	45,000	Gerresheimer AG	2,173,614	3,652,299
<b>Financial Services — 0.3%</b>				20,000	Globus Medical Inc., Cl. A†	477,686	1,009,200
25,000	Health Insurance Innovations Inc., Cl. A†	674,241	808,750	40,000	Henry Schein Inc.†	2,158,063	2,905,600
<b>Food — 23.0%</b>				600	ICU Medical Inc.†	54,244	176,190
15,000	Calavo Growers Inc.	498,575	1,442,250	200,000	InfuSystems Holdings Inc.†	559,855	710,000
35,000	Campbell Soup Co.	1,387,115	1,418,900	35,000	Integer Holdings Corp.†	775,966	2,262,750
3,200	Chr. Hansen Holding A/S	180,647	295,626	11,000	K2M Group Holdings Inc.†	216,274	247,500
130,000	Conagra Brands Inc.	3,462,298	4,644,900	50,000	Lantheus Holdings Inc.†	702,618	727,500
30,000	Dean Foods Co.	292,810	315,300	45,000	Medtronic plc	3,491,978	3,852,450
67,500	Flowers Foods Inc.	657,458	1,406,025	25,000	Nevro Corp.†	1,811,085	1,996,250
67,500	General Mills Inc.	2,910,055	2,987,550	10,000	NuVasive Inc.†	370,388	521,200
5,400	John B Sanfilippo & Son Inc.	201,924	402,030	47,574	Orthofix International NV†	1,436,128	2,703,155
68,500	Kellogg Co.	3,833,007	4,786,095	54,000	Patterson Cos., Inc.	1,683,601	1,224,180
35,000	Kerry Group plc, Cl. A	1,331,659	3,656,094	5,000	Smith & Nephew plc, ADR	168,590	187,650
120,000	Kikkoman Corp.	1,463,825	6,058,800	60,000	Spartan Corp.†	1,251,263	1,139,400
38,333	Lamb Weston Holdings Inc.	828,118	2,626,194	45,000	Stericycle Inc.†	3,447,242	2,938,050
				15,000	Stryker Corp.	889,665	2,532,900
				35,000	SurModics Inc.†	728,732	1,932,000
				15,000	The Cooper Companies Inc.	1,405,978	3,531,750

See accompanying notes to financial statements.

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

## Schedule of Investments (Continued) — June 30, 2018 (Unaudited)

Shares	Cost	Market Value	Shares	Cost	Market Value		
<b>COMMON STOCKS (Continued)</b>							
<b>Health Care Equipment and Supplies (Continued)</b>							
39,800	Zimmer Biomet Holdings Inc. ....	\$ 4,248,869	\$ 4,435,312	7,000	Melinta Therapeutics Inc.†.....	\$ 80,232	\$ 44,450
		<u>36,534,639</u>	<u>51,706,686</u>	75,000	Merck & Co. Inc. ....	3,348,021	4,552,500
				35,000	Mylan NV†.....	1,690,740	1,264,900
				68,000	Pfizer Inc. ....	1,476,615	2,467,040
				12,000	Roche Holding AG, ADR.....	250,095	331,560
				27,500	Shire plc, ADR.....	4,397,758	4,642,000
				30,000	Zoetis Inc. ....	<u>1,313,659</u>	<u>2,555,700</u>
						<u>33,570,391</u>	<u>40,975,202</u>
	<b>Health Care Providers and Services — 17.5%</b>						
12,000	Aetna Inc. ....	2,203,919	2,202,000				
60,000	AmerisourceBergen Corp. ....	3,921,999	5,116,200				
15,000	Anthem Inc. ....	2,325,943	3,570,450				
15,000	athenahealth Inc.†.....	2,293,150	2,387,100				
50,000	BioTelemetry Inc.†.....	1,261,896	2,250,000				
48	Chemed Corp.....	6,334	15,447	31,273			
20,000	Cigna Corp. ....	1,383,754	3,399,000		<b>Specialty Chemicals — 1.3%</b>		
40,000	DaVita Inc.†.....	2,310,638	2,777,600		International Flavors &		
125,000	Envision Healthcare Corp.†.....	7,793,940	5,501,250		Fragrances Inc. ....	<u>3,109,627</u>	<u>3,876,601</u>
240,500	Evolent Health Inc., Cl. A†.....	4,253,059	5,062,525		<b>TOTAL COMMON STOCKS.....</b>		
50,000	Express Scripts Holding Co.†.....	1,750,275	1,930,250		<b>206,584,506</b>	<b>285,963,602</b>	
40,000	HCA Healthcare Inc. ....	1,753,456	4,104,000		<b>PREFERRED STOCKS — 0.0%</b>		
60,000	Kindred Healthcare Inc.†.....	444,051	540,000		<b>Pharmaceuticals — 0.0%</b>		
22,200	Laboratory Corp. of America			146	BioScrip Inc., Zero Coupon†.....	<u>13,852</u>	<u>11,527</u>
	Holdings†.....	2,557,841	3,985,566		<b>RIGHTS — 0.0%</b>		
15,000	McKesson Corp. ....	1,044,224	2,001,000	6,907	Tobira Therapeutics Inc.†(a).....	414	414
100,000	PetIQ Inc.†.....	2,310,475	2,686,000		<b>Health Care Equipment and Supplies — 0.0%</b>		
1,000	Teladoc Inc.†.....	40,099	58,050	40,000	American Medical Alert Corp.,		
5,000	Tenet Healthcare Corp.†.....	87,252	167,850		CPR†(a).....	<u>0</u>	<u>400</u>
18,900	UnitedHealth Group Inc. ....	<u>2,695,143</u>	<u>4,636,926</u>		<b>TOTAL RIGHTS.....</b>		
		<u>40,437,448</u>	<u>52,391,214</u>			<u>414</u>	<u>814</u>
					<b>WARRANTS — 0.0%</b>		
	<b>Hotels and Gaming — 0.2%</b>						
8,300	Ryman Hospitality Properties Inc.,			420	BioScrip Inc., Cl. A, expire		
	REIT.....	222,785	690,145	420	07/27/25†.....	384	108
					BioScrip Inc., Cl. B, expire		
					07/27/25†.....	<u>363</u>	<u>83</u>
					<b>TOTAL WARRANTS.....</b>		
25,000	Avon Products Inc.†.....	85,556	40,500			<u>747</u>	<u>191</u>
50,000	Church & Dwight Co. Inc. ....	1,654,365	2,658,000		<b>U.S. GOVERNMENT OBLIGATIONS — 4.4%</b>		
30,000	Colgate-Palmolive Co. ....	1,859,734	1,944,300		U.S. Treasury Bills,		
50,000	Coty Inc., Cl. A.....	759,679	705,000		1.791% to 2.097%††,		
35,100	Edgewell Personal Care Co.†.....	2,810,615	1,771,146	\$13,352,000	07/26/18 to 12/20/18.....	<u>13,287,977</u>	<u>13,289,918</u>
30,000	Energizer Holdings Inc. ....	982,875	1,888,800		<b>TOTAL INVESTMENTS — 100.0%.....</b>		
10,000	Sally Beauty Holdings Inc.†.....	268,417	160,300		<b>\$219,887,496</b>	<b>299,266,052</b>	
12,000	The Estee Lauder Companies Inc.,						
	Cl. A.....	804,725	1,712,280				
13,000	The Procter & Gamble Co. ....	<u>1,000,591</u>	<u>1,014,780</u>				
		<u>10,226,557</u>	<u>11,895,106</u>				
					<b>Principal Amount</b>		
	<b>Pharmaceuticals — 13.7%</b>						
100,000	Abbott Laboratories.....	3,521,065	6,099,000				
24,000	Achaogen Inc.†.....	253,344	207,840				
120,000	Akorn Inc.†.....	3,435,377	1,990,800				
29,600	Allergan plc.....	4,848,145	4,934,912				
830,000	BioScrip Inc.†.....	1,699,053	2,431,900				
47,000	Bristol-Myers Squibb Co.....	1,665,066	2,600,980				
6,000	Endo International plc†.....	65,287	56,580				
56,000	Johnson & Johnson.....	5,525,934	6,795,040				

See accompanying notes to financial statements.



**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust**  
**Schedule of Investments (Continued) — June 30, 2018 (Unaudited)**

	<u>Market Value</u>	<u>Geographic Diversification</u>	<u>% of Total Investments</u>	<u>Market Value</u>
<b>Other Assets and Liabilities (Net)</b> . . . . .	\$ 541,299	North America . . . . .	85.1%	\$254,750,553
<b>PREFERRED STOCK</b>		Europe. . . . .	9.1	27,254,363
(2,681,443 preferred shares outstanding) . . . . .	<u>(67,036,075)</u>	Japan . . . . .	5.2	15,446,055
<b>NET ASSETS — COMMON STOCK</b>		Asia/Pacific . . . . .	<u>0.6</u>	<u>1,815,081</u>
(19,663,860 common shares outstanding) . . . . .	<u>\$232,771,276</u>	Total Investments . . . . .	<u>100.0%</u>	<u>\$299,266,052</u>
<b>NET ASSET VALUE PER COMMON SHARE</b>				
(\$232,771,276 ÷ 19,663,860 shares outstanding) . . . . .	<u>\$ 11.84</u>			

(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.

† Non-income producing security.

†† Represents annualized yields at dates of purchase.

ADR American Depository Receipt

CPR Contingent Payment Right

REIT Real Estate Investment Trust

See accompanying notes to financial statements.

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

### Statement of Assets and Liabilities June 30, 2018 (Unaudited)

<b>Assets:</b>	
Investments, at value (cost \$219,887,496).....	\$299,266,052
Foreign currency, at value (cost \$1,916).....	1,933
Cash.....	711
Receivable for investments sold.....	640,242
Dividends receivable.....	380,322
Deferred offering expense.....	109,878
Prepaid expenses.....	2,489
<b>Total Assets</b> .....	<u>300,401,627</u>
<b>Liabilities:</b>	
Distributions payable.....	54,220
Payable for Fund shares redeemed.....	171,661
Payable for investment advisory fees.....	247,677
Payable for payroll expenses.....	51,688
Payable for accounting fees.....	11,250
Other accrued expenses.....	57,780
<b>Total Liabilities</b> .....	<u>594,276</u>
<b>Preferred Shares:</b>	
Series A Cumulative Preferred Shares (5.760%, \$25 liquidation value, \$0.001 par value, 1,200,000 shares authorized, issued, and outstanding).....	30,000,000
Series B Cumulative Preferred Shares (5.875%, \$25 liquidation value, \$0.001 par value, 1,481,443 shares authorized, issued, and outstanding).....	<u>37,036,075</u>
<b>Total Preferred Shares</b> .....	<u>67,036,075</u>
<b>Net Assets Attributable to Common Shareholders</b> .....	<u>\$232,771,276</u>
<b>Net Assets Attributable to Common Shareholders Consist of:</b>	
Paid-in capital.....	\$154,029,515
Accumulated net investment loss.....	(153,354)
Distributions in excess of accumulated net realized gains on investments and foreign currency transactions.....	(478,926)
Net unrealized appreciation on investments.....	79,378,556
Net unrealized depreciation on foreign currency translations.....	(4,515)
<b>Net Assets</b> .....	<u>\$232,771,276</u>
<b>Net Asset Value per Common Share:</b>	
(\$232,771,276 ÷ 19,663,860 shares outstanding at \$0.001 par value; unlimited number of shares authorized).....	<u>\$11.84</u>

### Statement of Operations For the Six Months Ended June 30, 2018 (Unaudited)

<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$90,401).....	\$ 1,927,556
Interest.....	145,437
<b>Total Investment Income</b> .....	<u>2,072,993</u>
<b>Expenses:</b>	
Investment advisory fees.....	1,476,481
Shareholder communications expenses.....	90,062
Payroll expenses.....	76,916
Legal and audit fees.....	73,008
Shareholder services fees.....	42,092
Trustees' fees.....	29,505
Accounting fees.....	22,500
Custodian fees.....	10,407
Miscellaneous expenses.....	37,996
<b>Total Expenses</b> .....	<u>1,858,967</u>
Less:	
Expenses paid indirectly by broker (See Note 3).....	(1,434)
<b>Net Expenses</b> .....	<u>1,857,533</u>
<b>Net Investment Income</b> .....	<u>215,460</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:</b>	
Net realized gain on investments.....	7,062,866
Net realized loss on foreign currency transactions.....	(6,655)
Net realized gain on investments and foreign currency transactions.....	<u>7,056,211</u>
Net change in unrealized appreciation/depreciation: on investments.....	1,395,719
on foreign currency translations.....	(4,336)
Net change in unrealized appreciation/ depreciation on investments and foreign currency translations.....	<u>1,391,383</u>
<b>Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency</b> .....	<u>8,447,594</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>8,663,054</u>
Total Distributions to Preferred Shareholders.....	(1,951,935)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b> .....	<u>\$ 6,711,119</u>

See accompanying notes to financial statements.

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

## Statement of Changes in Net Assets Attributable To Common Shareholders

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31, 2017
<b>Operations:</b>		
Net investment income/(loss) .....	\$ 215,460	\$ (160,736)
Net realized gain on investments and foreign currency transactions .....	7,056,211	13,938,115
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>1,391,383</u>	<u>17,911,671</u>
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<u>8,663,054</u>	<u>31,689,050</u>
<b>Distributions to Preferred Shareholders:</b>		
Net investment income .....	(85,255)*	(8,691)
Net realized gain .....	<u>(1,866,680)*</u>	<u>(3,895,178)</u>
<b>Total Distributions to Preferred Shareholders</b> .....	<u>(1,951,935)</u>	<u>(3,903,869)</u>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b> .....	<u>6,711,119</u>	<u>27,785,181</u>
<b>Distributions to Common Shareholders:</b>		
Net investment income .....	(197,694)*	(22,618)
Net realized gain .....	(4,626,036)*	(10,136,815)
Return of capital .....	<u>(316,310)*</u>	<u>(146,238)</u>
<b>Total Distributions to Common Shareholders</b> .....	<u>(5,140,040)</u>	<u>(10,305,671)</u>
<b>Fund Share Transactions:</b>		
Net decrease from repurchase of common shares .....	<u>(1,444,158)</u>	<u>(410,386)</u>
<b>Net Decrease in Net Assets from Fund Share Transactions</b> .....	<u>(1,444,158)</u>	<u>(410,386)</u>
<b>Net Increase in Net Assets Attributable to Common Shareholders</b> .....	126,921	17,069,124
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year .....	<u>232,644,355</u>	<u>215,575,231</u>
End of period (including undistributed net investment income of \$0 and \$0, respectively) .....	<u>\$232,771,276</u>	<u>\$232,644,355</u>

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

See accompanying notes to financial statements.

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

## Financial Highlights

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

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31,				
		2017	2016	2015	2014	2013
<b>Operating Performance:</b>						
Net asset value, beginning of year . . . . .	\$11.74	\$10.86	\$11.79	\$11.76	\$11.33	\$ 9.55
Net investment income/(loss) . . . . .	0.01	(0.01)	(0.02)	(0.03)	0.01	0.04
Net realized and unrealized gain/(loss) on investments, and foreign currency transactions . . . . .	0.43	1.61	(0.21)	0.75	2.04	3.53
Total from investment operations . . . . .	0.44	1.60	(0.23)	0.72	2.05	3.57
<b>Distributions to Preferred Shareholders:(a)</b>						
Net investment income . . . . .	(0.00)* (b)	(0.01)	—	—	—	(0.01)
Net realized short term/long term gain . . . . .	(0.09)*	(0.19)	(0.19)	(0.19)	(0.13)	(0.12)
Total distributions to preferred shareholders . . . . .	(0.09)	(0.20)	(0.19)	(0.19)	(0.13)	(0.13)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations . . . . .</b>						
	0.35	1.40	(0.42)	0.53	1.92	3.44
<b>Distributions to Common Shareholders:</b>						
Net investment income . . . . .	(0.01)*	(0.00)(b)	—	—	—	(0.01)
Net realized short term/long term gain . . . . .	(0.23)*	(0.51)	(0.52)	(0.51)	(0.62)	(0.90)
Return of capital . . . . .	(0.02)*	(0.01)	—	—	—	—
Total distributions to common shareholders . . . . .	(0.26)	(0.52)	(0.52)	(0.51)	(0.62)	(0.91)
<b>Fund Share Transactions:</b>						
Increase in net asset value for repurchase of common shares . . . . .	0.01	0.00(b)	—	0.01	—	—
Decrease in net asset value from common shares issued in rights offering . . . . .	—	—	—	—	(0.77)	(0.72)
Offering costs for preferred shares charged to paid-in capital . . . . .	—	—	—	—	(0.08)	—
Offering costs for common shares charged to paid-in capital . . . . .	—	—	—	(0.00)(b)	(0.02)	(0.03)
Increase in net asset value from offering of preferred shares . . . . .	—	—	0.01	—	—	—
Total Fund share transactions . . . . .	0.01	0.00(b)	0.01	0.01	(0.87)	(0.75)
<b>Net Asset Value Attributable to Common Shareholders, End of Period . . . . .</b>						
	\$11.84	\$11.74	\$10.86	\$11.79	\$11.76	\$11.33
NAV total return † . . . . .	3.10%	13.02%	(3.63)%	4.55%	16.98%	36.86%
Market value, end of period . . . . .	\$10.02	\$10.33	\$ 9.43	\$10.25	\$10.42	\$10.38
Investment total return †† . . . . .	(0.41)%	15.17%	(3.15)%	3.14%	10.39%	35.99%

See accompanying notes to financial statements.

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

## Financial Highlights (Continued)

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

	Six Months Ended June 30, 2018 (Unaudited)	Year Ended December 31,				
		2017	2016	2015	2014	2013
<b>Ratios to Average Net Assets and Supplemental Data:</b>						
Net assets including liquidation value of preferred shares, end of period (in 000's) . . . . .	\$299,807	\$299,680	\$282,611	\$299,097	\$299,595	\$199,503
Net assets attributable to common shares, end of period (in 000's) . . . . .	\$232,771	\$232,644	\$215,575	\$234,097	\$234,595	\$169,503
Ratio of net investment income/(loss) to average net assets attributable to common shares before preferred share distributions . . . . .	0.19%(c)	(0.07)%	(0.20)%	(0.22)%	(0.27)%	0.02%
Ratio of operating expenses to average net assets attributable to common shares (d) . . . . .	1.63%(c)(e)	1.65%(e)	1.62%(e)	1.60%(e)	1.63%	1.71%
Portfolio turnover rate . . . . .	14.1%	34.3%	31.7%	52.4%	43.5%	52.1%
<b>Cumulative Preferred Shares:</b>						
<b>5.760% Series A Preferred</b>						
Liquidation value, end of period (in 000's) . . . . .	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Total shares outstanding (in 000's) . . . . .	1,200	1,200	1,200	1,200	1,200	1,200
Liquidation preference per share . . . . .	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (f) . . . . .	\$ 25.44	\$ 25.89	\$ 26.12	\$ 25.96	\$ 25.85	\$ 26.47
Asset coverage per share (g) . . . . .	\$ 111.81	\$ 111.76	\$ 105.40	\$ 115.04	\$ 115.23	\$ 166.25
<b>5.875% Series B Preferred</b>						
Liquidation value, end of period (in 000's) . . . . .	\$ 37,036	\$ 37,036	\$ 37,036	\$ 35,000	\$ 35,000	—
Total shares outstanding (in 000's) . . . . .	1,481	1,481	1,481	1,400	1,400	—
Liquidation preference per share . . . . .	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	—
Average market value (f) . . . . .	\$ 25.90	\$ 26.67	\$ 26.76	\$ 26.09	\$ 25.37	—
Asset coverage per share (g) . . . . .	\$ 111.81	\$ 111.76	\$ 105.40	\$ 115.04	\$ 115.23	—
<b>Asset Coverage</b> (h) . . . . .	447%	447%	422%	460%	461%	665%

† 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 ex-dividend dates including the effect of shares issued pursuant to the rights offerings, assuming full subscription by shareholders. Total return for a period of less than one year is not annualized.

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

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

(a) Calculated based on average common shares outstanding on the record dates throughout the years.

(b) Amount represents less than \$0.005 per share.

(c) Annualized.

(d) Ratio of operating expenses to average net assets including liquidation value of preferred shares for the six months ended June 30, 2018 and the years ended December 31, 2017, 2016, 2015, 2014, and 2013 would have been 1.26%, 1.27%, 1.26%, 1.26%, 1.36%, and 1.41%, respectively.

(e) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. Had such payments not been made, this expense ratio for the year ended December 31, 2015 would have been 1.27%. For the six months ended June 30, 2018 and the years ended December 31, 2017 and 2016, there was no impact on the expense ratios.

(f) Based on weekly prices.

(g) Asset coverage per share is calculated by combining all series of preferred shares.

(h) Asset coverage is calculated by combining all series of preferred shares.

See accompanying notes to financial statements.

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

### Notes to Financial Statements (Unaudited)

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**1. Organization.** The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust (the “Fund”) currently operates as a diversified closed-end management investment company organized as a Delaware statutory trust on February 20, 2007 and registered under the Investment Company Act of 1940 as amended (the “1940 Act”). Investment operations commenced on June 28, 2007.

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

**2. Significant Accounting Policies.** As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (“GAAP”) that may require the use of management estimates and assumptions in the preparation of its financial statements. 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 obligations 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, 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. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S.

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

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

dollar value American Depository Receipts 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 Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of June 30, 2018 is as follows:

	Valuation Inputs			Total Market Value at 6/30/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks (a)	\$285,963,602	—	—	\$285,963,602
Preferred Stocks (a)	—	\$ 11,527	—	11,527
Rights (a)	—	—	\$814	814
Warrants (a)	—	191	—	191
U.S. Government Obligations	—	13,289,918	—	13,289,918
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$285,963,602</b>	<b>\$13,301,636</b>	<b>\$814</b>	<b>\$299,266,052</b>

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

The Fund did not have transfers among Level 1, Level 2, and Level 3 during the six months ended June 30, 2018. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

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

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

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#### **Additional Information to Evaluate Qualitative Information.**

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

**Fair Valuation.** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

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

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

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



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

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

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

**Securities Transactions and Investment Income.** Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

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

**Distributions to Shareholders.** Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. These reclassifications have no impact on the NAV of the Fund.

Distributions to shareholders of the Fund's 5.76% Series A Cumulative Preferred Shares ("Series A Preferred") and 5.875% Series B Cumulative Preferred Shares ("Series B Preferred") are recorded on a daily basis and are determined as described in Note 5.

The Fund declares and pays quarterly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend and may cause such gains to be treated as ordinary income, subject to the maximum federal income tax rate. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's NAV and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.

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

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

The tax character of distributions paid during the year ended December 31, 2017 was as follows:

	<u>Common</u>	<u>Preferred</u>
<b>Distributions paid from:</b>		
Ordinary income (inclusive of short term capital gains).....	\$ 592,084	\$ 227,515
Net long term capital gains .....	9,567,349	3,676,354
Return of capital .....	146,238	—
Total distributions paid .....	<u>\$10,305,671</u>	<u>\$3,903,869</u>

**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.

The following summarizes the tax cost of investments and the related net unrealized appreciation at June 30, 2018:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$220,706,683	\$88,665,958	\$(10,106,589)	\$78,559,369

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. During the six months ended June 30, 2018, the Fund did not incur any income tax, interest, or penalties. As of June 30, 2018, 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. The Fund’s federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund’s tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund’s average weekly net assets including the liquidation value of preferred shares. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund’s portfolio and oversees the administration of all aspects of the Fund’s business and affairs.

During the six months ended June 30, 2018, the Fund paid \$4,148 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the six months ended June 30, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$1,434.

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

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

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the six months ended June 30, 2018, the Fund accrued \$22,500 in accounting fees in the Statement of Operations.

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). During the six months ended June 30, 2018, the Fund accrued \$76,916 in payroll expenses in the Statement of Operations.

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

**4. Portfolio Securities.** Purchases and sales of securities during the six months ended June 30, 2018, other than short term securities and U.S. Government obligations, aggregated \$39,528,825 and \$40,553,389, respectively.

**5. Capital.** The Fund is authorized to issue an unlimited number of shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its shares on the open market when the shares are trading on the NYSE at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the six months ended June 30, 2018, the Fund repurchased and retired 144,904 common shares in the open market at an investment of \$1,444,158 and an average discount of approximately 15.41% from its NAV. During the year ended December 31, 2017, the Fund repurchased and retired 39,340 common shares in the open market at an investment of \$410,386 and an average discount of approximately 10.75% from its NAV.

Transactions in shares of beneficial interest were as follows:

	<b>Six Months Ended June 30, 2018 (Unaudited)</b>		<b>Year Ended December 31, 2017</b>	
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>
Net decrease from repurchase of common shares.....	(144,904)	\$(1,444,158)	(39,340)	\$(410,386)

The Fund has an effective shelf registration authorizing the offering of an additional \$200 million of common or preferred shares.

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Preferred Shares. The Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statement of Preferences to meet certain asset coverage tests with respect to the Preferred

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

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

Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Preferred Shares at redemption prices of \$25 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

For the Series A Preferred at any time and for the Series B Preferred commencing September 24, 2019 and at any time thereafter, the Fund, at its option, may redeem the Series A Preferred or Series B Preferred at their redemption prices per share plus an amount equal to any accumulated and unpaid dividends whether or not declared on such shares. The Board has authorized the repurchase of the Series A Preferred Shares and Series B Preferred Shares in the open market at prices less than the \$25 liquidation values per share. During the six months ended June 30, 2018 and the year ended December 31, 2017, the Fund did not repurchase any of the Series A Preferred or Series B Preferred.

The following table summarizes the Preferred Share information:

Series	Issue Date	Authorized	Number of Shares Outstanding at 06/30/18	Net Proceeds	2018 Dividend Rate Range	Dividend Rate at 06/30/18	Accrued Dividends at 06/30/18
A 5.760%	August 20, 2010	1,200,000	1,200,000	\$28,725,173	Fixed Rate	5.760%	\$24,000
B 5.875%	September 24, 2014	1,400,000	1,400,000	33,564,647	Fixed Rate	5.875%	28,709
B 5.875%	Various dates in 2016	81,443	81,443	2,192,721	Fixed Rate	5.875%	1,511

The holders of Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of Preferred Shares voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the Preferred Shares, voting as a single class, will be required to approve any plan of reorganization adversely affecting the Preferred Shares, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding Preferred Shares and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

**6. Industry Concentration.** Because the Fund primarily invests in common stocks and other securities of foreign and domestic companies in the health care, pharmaceuticals, and food and beverage industries, its portfolio may be subject to greater risk and market fluctuations than a portfolio of securities representing a broad range of investments.

**7. Indemnifications.** The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

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

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

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**8. Subsequent Events.** Management has evaluated the impact of all subsequent events of the Fund and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

#### **Shareholder Meeting – May 14, 2018 – Final Results**

The Fund's Annual Meeting of Shareholders was held on May 14, 2018 in Greenwich, Connecticut. At that meeting, common and preferred shareholders, voting together as a single class, elected Robert C. Kolodny and Salvatore J. Zizza as Trustees of the Fund. A total of 17,570,630 votes and 17,373,501 votes were cast in favor of these Trustees, and a total of 2,295,008 votes and 2,492,137 votes were withheld for these Trustees, respectively.

In addition, preferred shareholders, voting as a separate class, elected Anthony J. Colavita as a Trustee of the Fund. A total of 2,203,619 votes were cast in favor of this Trustee and a total of 88,794 votes were withheld for this Trustee.

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

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

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

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

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

More specifically, at a meeting held on February 21, 2018, the Board, including the Independent Board Members, considered the factors and reached the conclusions described below relating to the selection of the Adviser and the approval of the Advisory Agreement.

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

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

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

The Independent Board Members considered one year, three year, five year, and ten year investment performance for the Fund as compared to relevant sector equity indices and the performance of other sector equity closed-end and open-end funds prepared by Broadridge, including other funds focused on healthcare or life sciences. The Independent Board Members noted that the Fund’s NAV performance was below the median of funds in its Broadridge peer group for the prior one, three, five, and ten year periods, although the Fund’s performance during the ten year period was relatively in line with the Broadridge peer group. The Independent Board Members also recognized that the performance of many of the funds in the Broadridge peer group is not necessarily a good comparison for the Fund because of the Fund’s unique investment strategy compared to the investment strategies of many funds in the peer group. The Independent Board Members also noted that the NAV of the Fund had (i) underperformed the S&P 500 Health Care Index over the one year, three year, five year, and ten year periods, (ii) outperformed the S&P 500 Consumer Staples Index over the ten year period and underperformed the S&P 500 Consumer Staples Index over the one year, three year, and five year periods, and (iii) underperformed an index comprised of 50% S&P 500 Health Care Index and 50% S&P Consumer Staples Index over the one year, three year, five year, and ten year periods. As was the case for the peer comparisons, the Independent Board Members recognized that none of these indices is a good comparison for the Fund, since certain healthcare and consumer staples companies included in the indices vary from the companies in which the Fund is permitted to invest under its investment objective, policies, and restrictions (for example, consumer staples companies that are inconsistent with the Fund’s wellness mandate). In addition, the indices include growth companies that may not be consistent with the Adviser’s value-oriented investment strategy. The Independent Board Members therefore recognized the more limited usefulness of the Broadridge peer group comparison and the index comparisons, concluding that the Adviser was delivering satisfactory performance results consistent with the investment strategy being pursued by the Fund and disclosed to investors.

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

(a) Costs of Services to Fund: Fees and Expenses. The Independent Board Members considered the Fund’s

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

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

management fee rate and expense ratio relative to industry averages for the Fund's Broadridge peer group category and the advisory fees charged by the Adviser and its affiliates to other fund and non-fund clients. The Independent Board Members noted that the mix of services under the Agreement are much more extensive than those under the advisory agreements for non-fund clients. The Independent Board Members noted that the investment advisory fee (as a percentage of assets attributable to common shares), management fee (as a percentage of total managed assets), other non-management expenses and total expense ratio paid by the Fund are higher than the median and average for its Broadridge peer group. They concluded that the management fee is acceptable based upon the qualifications, experience and reputation of the Adviser and the other factors considered.

**(b) Profitability and Costs of Services to Adviser.** The Independent Board Members considered the Adviser's overall profitability and costs. The Independent Board Members referred to the Board Materials for the pro forma income statements for the Adviser and the Fund for the period ended December 31, 2017. They noted how the pro forma income statements for the Fund illustrated how the Adviser's profitability would be affected as the Fund asset levels change. The Independent Board Members also considered whether the amount of profit is a fair entrepreneurial profit for the management of the Fund, and noted that the Adviser has continued to increase its resources devoted to Fund matters, including portfolio management resources, in response to, among other things, recently enacted regulatory requirements and new or enhanced Fund policies and procedures. The Independent Board Members concluded that the profitability to the Adviser of managing the Fund was not excessive.

### **Extent of Economies of Scale as Fund Grows.**

The Independent Board Members considered whether there have been economies of scale with respect to the management of the Fund and whether the Fund has appropriately benefited from any economies of scale. The Independent Board Members noted that, although the ability of the Fund to realize economies of scale through growth is more limited than for an open-end fund, economies of scale may develop for certain funds as their assets increase and their fund-level expenses decline as a percentage of assets, but that fund-level economies of scale may not necessarily result in Adviser-level economies of scale. The Board Members were advised that economies of scale in the form of lower expenses are not likely to be realized until the Fund was of a larger size. Nonetheless, the Fund benefits from investments the Adviser has made in enhanced administrative, portfolio management, operational and other resources.

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

The Independent Board Members noted that the management fee rate for the period does not take into account any potential sharing of economies of scale through breakpoints.

### **Other Relevant Considerations.**

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

**(b) Other Benefits to the Adviser.** The Independent Board Members also considered the character and amount of other incidental benefits received by the Adviser and its affiliates from its association with the Fund. The

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

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

Independent Board Members considered the brokerage commissions paid to an affiliate of the Adviser. The Independent Board Members concluded that potential “fall-out” benefits that the Adviser and its affiliates may receive, such as brokerage commissions paid to an affiliated broker, greater name recognition or increased ability to obtain research services, appear to be reasonable, and may in some cases benefit the Fund.

#### **Conclusions.**

In considering the Agreement, the Independent Board Members did not identify any factor as all-important or all-controlling, and instead considered these factors collectively in light of the Fund’s surrounding circumstances. The Independent Board Members concluded that the Fund enjoyed highly experienced portfolio management services and good ancillary services. They were aware that the NAV performance record had been below the median during the one, three, five, and ten year reporting periods ended December 31, 2017 in comparison with peers but recognized that many of the peers were not good comparisons for the Fund because of its unique investment strategy. Similarly, index comparisons were not considered to be very meaningful for comparison purposes. As a part of its decision-making process the Independent Board Members understood that shareholders invested in the Fund with full disclosure that the Adviser managed the Fund and of the Fund’s investment management fee schedule. Given this, the Independent Board Members received regular reports on the Adviser’s management of the Fund in a manner consistent with its investment objectives and policies as disclosed to shareholders. In addition, the Independent Board Members believe that a long-term relationship with a capable, conscientious adviser is in the best interests of the Fund. On the basis of the foregoing and without assigning particular weight to any single conclusion, the Independent Board Members determined to recommend continuation of the Advisory Agreement to the full Board.

Based on a consideration of all these factors in their totality, the Board Members, including all of the Independent Board Members, determined that the Fund’s advisory fee was fair and reasonable with respect to the nature and quality of services provided and in light of the other factors described above that the Board deemed relevant. Accordingly, the Board Members determined to approve the continuation of the Fund’s Advisory Agreement. The Board Members based their decision on evaluations of all these factors as a whole and did not consider any one factor as all-important or controlling.



# AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

## Enrollment in the Plan

It is the policy of The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust to automatically reinvest dividends payable to common shareholders. 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 shares of common stock 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 stock 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<sup>Rx</sup> Trust  
c/o Computershare  
P.O. Box 505000  
Louisville, KY 40233

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 shares of common stock 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 stock 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 shares of common stock 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 stock. 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 stock at the time of valuation exceeds the market price of the common stock, 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 stock 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 stock 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 505000, Louisville, KY 40233 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 Plan 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.

## **THE GABELLI HEALTHCARE & WELLNESS<sup>Rx</sup> TRUST AND YOUR PERSONAL PRIVACY**

### **Who are we?**

The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust 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, that is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory 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](http://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.

**THE GABELLI HEALTHCARE & WELLNESS<sup>Rx</sup> TRUST**  
**One Corporate Center**  
**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

**Kevin V. Dreyer** joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA degree from Columbia Business School.

**Jeffrey J. Jonas, CFA**, joined Gabelli in 2003 as a research analyst focusing on companies across the healthcare industry. In 2006, he began serving as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

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, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "Specialized Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "Specialized Equity Funds."

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

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

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

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

One Corporate Center  
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e [info@gabelli.com](mailto:info@gabelli.com)  
[GABELLI.COM](http://GABELLI.COM)

### TRUSTEES

Mario J. Gabelli, CFA  
Chairman &  
Chief Executive Officer,  
GAMCO Investors, Inc.  
Executive Chairman,  
Associated Capital Group, Inc.

Anthony J. Colavita  
President,  
Anthony J. Colavita, P.C.

James P. Conn  
Former Managing Director &  
Chief Investment Officer,  
Financial Security Assurance  
Holdings Ltd.

Vincent D. Enright  
Former Senior Vice President &  
Chief Financial Officer,  
KeySpan Corp.

Jeffrey J. Jonas, CFA  
Portfolio Manager,  
Gabelli Funds, LLC

Robert C. Kolodny  
Physician,  
Principal of KBS  
Management LLC

Kuni Nakamura  
President,  
Advanced Polymer, Inc.

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

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

### OFFICERS

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Vice President & Ombudsman

David I. Schachter  
Vice President

Adam E. Tokar  
Vice President

### INVESTMENT ADVISER

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

### CUSTODIAN

The Bank of New York Mellon

### COUNSEL

Willkie Farr & Gallagher LLP

### TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.



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

## GRX

*Semiannual Report  
June 30, 2018*