

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

Shareholder Commentary – September 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 September 30, 2018, the net asset value (“NAV”) total return of The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust (the “Fund”) was 10.1%, compared with a total return of 14.5% for the Standard & Poor’s (“S&P”) 500 Health Care Index. The total return for the Fund’s publicly traded shares was 11.4%. The Fund’s NAV per share was \$12.90, while the price of the publicly traded shares closed at \$11.03 on the New York Stock Exchange (“NYSE”).

### Comparative Results

#### Average Annual Returns through September 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) .....	10.05%	16.94%	9.64%	10.38%	12.62%	10.34%
Investment Total Return (c) .....	11.37	14.76	9.84	9.20	13.53	8.51
S&P 500 Health Care Index .....	14.53	18.35	14.81	15.37	14.22	11.30
S&P 500 Index .....	7.71	17.91	17.31	13.95	11.97	8.33
S&P 500 Consumer Staples Index .....	5.70	2.93	7.56	9.20	10.03	9.38
50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index (“The Blended Index”) .....	10.12	10.64	11.19	12.29	12.13	10.34

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund’s use of leverage may magnify the volatility of net asset value changes versus Funds that don’t employ leverage. 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 and reinvestment of distributions at NAV on the ex-dividend date and are net of expenses. Since inception return is based on an initial NAV of \$8.00.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE American and reinvestment of distributions. 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 had an excellent quarter on the back of accelerating economic growth in the United States, strong corporate earnings, and a significant easing of trade tensions. Successfully renegotiating the North American Free Trade Agreement (NAFTA) had perhaps the biggest impact on the stock market during the quarter. A new deal was struck first with Mexico in late August and then expanded to include Canada late on the final day of the quarter. The new deal was modernized for the digital era and it will also encourage more agricultural trade, North American auto production, and improve patent protection for biotech medicines. The European Union also offered trade concessions and agreed to work quickly to update its trade treaty, although there is no firm timeline for completion. Trade talks with Japan, India, and other countries are in early stages. So far there have been few signs of progress with China, but there is some hope that it will return to the negotiating table by the end of the year. Previously announced sanctions against China continue to take effect, driving up costs for both businesses and consumers and leading to profit warnings from some companies.

In the United States, job creation remains robust, with healthy increases in wages, but not enough to take inflation significantly ahead of the Federal Reserve's 2% target. The Federal Reserve continued to normalize interest rates in the quarter, although its hawkish view of three or more rate hikes in 2019 has caused some concern in the market. While economic growth again approached 4% in the United States, it was partially offset by slowing growth overseas, particularly in China, while Europe remains stuck in a lackluster expansion and faces new political challenges in Italy. The recent rise in oil and gas prices is good news for producers,

including many regions of the United States, but also will take a bigger bite out of consumers' pockets for the first time in several years. Consumer and business confidence remain at record highs, and the outlook as we head into 2019 remains solid, but economic growth is likely to return to a more normal level after two quarters of above-trend performance.

## **Healthcare**

Healthcare stocks had an excellent quarter, helped by strong earnings growth, an easing of trade tensions, and a modest weakening of the dollar. Political concerns also eased as the quarter progressed. The Trump administration's focus appeared to shift away from drug prices, with fewer policy proposals and more restrained rhetoric. With the midterm elections looming, the polarization between the two parties is wider than ever. One side is moving towards some of type of single payor system, while the other still seeks to repeal much of the Affordable Care Act with little or no replacement. If the elections result in divided government and more gridlock, that would be viewed as a positive for healthcare stocks.

Our performance this quarter was led by our largest companies. Thermo Fisher Scientific (+18%) continues to benefit from a robust research funding environment and the strong global economy. Medtronic (+16%) is again posting consistent growth and communicating better with investors, including giving more conservative, beatable guidance. Zimmer Biomet (+18%) is beginning to make progress on its supply shortages and manufacturing remediation under new CEO Bryan Hanson. The Department of Justice approved the merger of CVS Health (+23%) and Aetna (+11%), as well as the merger between Cigna (+23%) and Express Scripts (+23%). Both deals should close by the end of the year. On the negative side, medical waste company Stericycle (-10%) is seeing increasing price pressure in the market and embarking on a lengthy restructuring process. Neurostimulation company Nevro (-29%) fired their head of sales and lowered sales guidance after failing to hire enough new employees to support the company's rapid growth.

## **Consumer**

The consumer portion of the Fund rose modestly in the quarter. Leading contributors included Japanese soy sauce maker Kikkoman (+18%) and probiotic drink maker Yakult Honsha (+23%), which both continue to look to overseas markets to drive business growth. Another top contributor was Post Holdings (+14%), which announced that it would recapitalize its private brands business with partner Thomas H. Lee Partners, under which Post will receive net proceeds of \$875 million and retain 60.5% ownership in the company, which will be renamed 8th Avenue Food & Provisions. Food and beverage giant Nestlé (+8%) was also a contributor, as the company continues to reshuffle its business mix under CEO Mark Schneider. During the quarter, the company closed on the acquisition of the consumer packaged goods business of Starbucks, agreed to sell its Gerber Life Insurance business to Western & Southern Financial Group for \$1.55 billion, and announced that it will explore strategic alternatives for Nestlé Skin Health.

The largest detractor from performance was United Natural Foods (-30%). In July, the company announced that it agreed to acquire SUPERVALU for \$2.9 billion, significantly increasing the company's debt load and changing its business model from being a pure play health and wellness oriented food distributor to a company with significant conventional grocery business. While the stock trades at a low multiple of expected pro forma earnings, we view the increased debt and change of strategic focus negatively. Other detractors included Kraft Heinz (-11%), which gave back most of its second quarter gains amid continued concerns about pricing power and margins in the packaged food industry amid rising costs and tepid demand; probiotic drink maker Lifeway Foods (-47%), which reported a decline in net sales and gross margin contraction in the second quarter; and ConAgra Brands (-4%), whose shares continued to have the overhang of an upcoming stock offering before closing its acquisition of Pinnacle Foods. The offering was completed shortly after the end of the quarter.

### **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 September 30, 2018.

*Abbott Laboratories (ABT – \$73.36 – NYSE)* is a health care company diversified across medical devices, diagnostics, nutritional products, and branded generic pharmaceuticals. The company continues to see strong global growth across all of its divisions, and is benefiting from the past acquisitions of Alere and St. Jude Medical. During the quarter, Abbott presented strong data on its MitraClip heart valve repair device. MitraClip could go from being a niche product to over a \$1 billion per year blockbuster, providing yet another leg of growth for the company. As Abbott executes on its internal growth goals and generates significant free cash flow, we expect the company to hike its dividend significantly in 2019 and return to making tuck-in acquisitions.

*ConAgra Brands Inc. (CAG – \$33.97 – 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.

*Danone SA (BN – \$77.44 / €66.70 – Paris Stock Exchange)*, based in Paris, France, is a leading global food and beverage company built on four businesses: Essential Dairy and Plant-Based Products, Waters, Early Life Nutrition, and Medical Nutrition. The company aims to inspire healthier and more sustainable eating and drinking practices, in line with its vision – “Danone, One Planet, One Health”. Danone is concentrated on high growth and health-focused categories and committed to operating in an efficient, sustainable, and responsible manner. Danone has the ambition to become one of the first multinationals certified as a B Corporation (a certification awarded to for-profit businesses that balance profit and purpose). The company's leading brands include Activia, Actimel, Alpro, Dannon, evian, Volvic, Horizon Organic, Oikos and Silk. As one of the only large multinationals dedicated exclusively to health and wellness-oriented categories, we believe Danone will have one of the best top line growth rates in the global food industry in coming years.

*International Flavors & Fragrances Inc. (IFF – \$139.12 – NYSE)*, based in New York, is a leading global supplier of flavor and 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 represent nearly half its revenue, as well as from new product innovation in developed markets. In May, IFF 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 the larger multinationals. Approximately, \$550 million of FRUT's sales are in adjacent categories where IFF does not compete meaningfully, such as natural colors, health ingredients, natural food protection, and enzymes.

*Merck & Co. Inc. (MRK – \$70.94 – NYSE)* is a leading global pharmaceutical company that also has a significant animal health division. Growth in recent years has been driven by the remarkable success of its new immuno-oncology treatment Keytruda. By harnessing the body's own immune system to fight cancer, immuno-oncology drugs have shown remarkable efficacy with generally very modest side effects. Merck's Keytruda has surpassed Bristol-Myer's Opdivo to become the leading treatment for a range of soft tissue cancers including lung, skin, and stomach cancers, amongst others. Merck is driving strong dividend and earnings growth, and we were pleased to see CEO Ken Frazier agree to stay on the job beyond his planned 2019 retirement.

*Osiris Therapeutics Inc. (OSIR – \$11.10 – NASDAQ)* develops and manufactures a range of tissue-based products for regenerative medicine. Its tissue grafts and stem cell treatments are used in wound care, orthopedic, and sports medicine, and are sold both directly and through leading industry partners, such as Stryker Corp. Osiris has been growing at a double digit rate, and is poised to benefit from significant fraud at one of its major competitors. The company should begin to see significant operating leverage, and in the future would be an excellent acquisition target for a larger company.

*PetIQ Inc. (PETQ – \$39.31 – NASDAQ)* manufactures and distributes both prescription and over-the-counter pet medicines. The company is partnered with many of the leading retailers in the country, including Walmart, Target, Costco, and PetSmart, among others. Through its new VIP Petcare division, the company is opening small veterinary clinics within its partners' stores, providing convenient, low-cost pet care. This is an attractive business in itself that provides a significant cross-selling opportunity for PetIQ and its partners. PetIQ has successfully opened the first 40 of these stores, and plans to aggressively expand them later this year, with a long term goal of as many as 2,000 locations nationwide.

October 17, 2018

**Top Ten Holdings**  
**September 30, 2018**

Johnson & Johnson  
Abbott Laboratories  
Thermo Fisher Scientific Inc.  
Kikkoman Corp.  
CVS Health Corp.

Yakult Honsha Co. Ltd.  
Merck & Co. Inc.  
Allergan plc  
AmerisourceBergen Corp.  
Post Holdings 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 September 30, 2018, the Fund has repurchased and retired 695,379 common shares in the open market under this share repurchase plan, at an average investment of \$10.19 per share and an average discount of approximately 14.5% from its NAV. A total of 351,048 common shares were repurchased in the third 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 September 21, 2018, to common shareholders of record on September 14, 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 9% from net investment income and 91% 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.

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

The Fund's Series A Cumulative Preferred Shares paid a \$0.36 per share cash distribution on September 26, 2018, to preferred shareholders of record on September 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 December 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 September 26, 2018, to preferred shareholders of record on September 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 December 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 September 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 9% from net investment income and 91% 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. 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. 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)



GABELLI  
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.

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  
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

John C. Ball  
Treasurer

Andrea R. Mango  
Secretary & Vice President

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*  
*September 30, 2018*

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

## Third Quarter Report — September 30, 2018

### (Y)our Portfolio Management Team



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



**Kevin V. Dreyer**  
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BSE, University of Pennsylvania  
MBA, Columbia Business School



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### To Our Shareholders,

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Enclosed is the schedule of investments as of September 30, 2018.

### Comparative Results

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

	Quarter	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) . . . . .	10.05%	16.94%	9.64%	10.38%	12.62%	10.34%
Investment Total Return (c) . . . . .	11.37	14.76	9.84	9.20	13.53	8.51
S&P 500 Health Care Index . . . . .	14.53	18.35	14.81	15.37	14.22	11.30
S&P 500 Index . . . . .	7.71	17.91	17.31	13.95	11.97	8.33
S&P 500 Consumer Staples Index . . . . .	5.70	2.93	7.56	9.20	10.03	9.38
50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index ("The Blended Index") . . . . .	10.12	10.64	11.19	12.29	12.13	10.34

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that don't employ leverage. 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.

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

<b>Shares</b>		<b>Market Value</b>	<b>Shares</b>		<b>Market Value</b>
	<b>COMMON STOCKS — 93.9%</b>				
	<b>Beverages — 4.6%</b>				
60,000	China Mengniu Dairy Co. Ltd.	\$ 199,659	33,000	The Hain Celestial Group Inc.†	\$ 894,960
69,000	Danone SA	5,343,496	29,000	The J.M. Smucker Co.	2,975,690
41,000	ITO EN Ltd.	1,818,694	80,000	The Kraft Heinz Co.	4,408,800
40,000	Keurig Dr Pepper Inc.	926,800	110,000	Tingyi (Cayman Islands) Holding Corp.	202,061
29,000	Massimo Zanetti Beverage Group SpA	236,366	75,000	Unilever plc, ADR	4,122,750
7,000	Morinaga Milk Industry Co. Ltd.	190,063	70,000	Yakult Honsha Co. Ltd.	5,735,786
300,000	Parmalat SpA	989,214			<u>70,960,161</u>
20,000	PepsiCo Inc.	2,236,000		<b>Food and Staples Retailing — 4.8%</b>	
30,000	Suntory Beverage & Food Ltd.	1,270,023	76,000	CVS Health Corp.	5,982,720
424,000	Vitasoy International Holdings Ltd.	1,446,129	30,000	Ingles Markets Inc., Cl. A	1,027,500
		<u>14,656,444</u>	45,000	Sprouts Farmers Market Inc.†	1,233,450
			100,000	The Kroger Co.	2,911,000
	<b>Biotechnology — 5.1%</b>		83,000	United Natural Foods Inc.†	2,485,850
13,900	Alexion Pharmaceuticals Inc.†	1,932,239	20,000	Walgreens Boots Alliance Inc.	1,458,000
20,000	Argenx SE, ADR†	1,516,800			<u>15,098,520</u>
20,000	Charles River Laboratories International Inc.†	2,690,800		<b>Health Care Equipment and Supplies — 16.3%</b>	
2,000	Idorsia Ltd.†	50,377	45,000	Baxter International Inc.	3,469,050
3,800	Illumina Inc.†	1,394,828	14,500	Becton, Dickinson and Co.	3,784,500
20,000	Invitae Corp.†	334,600	42,000	Boston Scientific Corp.†	1,617,000
8,000	Ligand Pharmaceuticals Inc.†	2,195,920	95,000	Cardiovascular Systems Inc.†	3,718,300
120,000	NeoGenomics Inc.†	1,842,000	13,000	Cutera Inc.†	423,150
208,583	Osiris Therapeutics Inc.†	2,315,271	40,000	Gerresheimer AG	3,378,653
1,200	Regeneron Pharmaceuticals Inc.†	484,848	20,000	Globus Medical Inc., Cl. A†	1,135,200
22,000	Tetraphase Pharmaceuticals Inc.†	60,720	40,000	Henry Schein Inc.†	3,401,200
100,000	Veracyte Inc.†	955,000	400	ICU Medical Inc.†	113,100
1,600	Waters Corp.†	311,488	265,000	InfuSystems Holdings Inc.†	861,250
		<u>16,084,891</u>	25,000	Integer Holdings Corp.†	2,073,750
			22,000	K2M Group Holdings Inc.†	602,140
	<b>Electronics — 2.3%</b>		175,000	Lantheus Holdings Inc.†	2,616,250
30,000	Thermo Fisher Scientific Inc.	7,322,400	45,000	Medtronic plc	4,426,650
			55,000	Nevro Corp.†	3,135,000
	<b>Food — 22.4%</b>		10,000	NuVasive Inc.†	709,800
15,000	Calavo Growers Inc.	1,449,000	50,000	Patterson Cos. Inc.	1,222,500
35,000	Campbell Soup Co.	1,282,050	5,000	Smith & Nephew plc, ADR	185,450
3,200	Chr. Hansen Holding A/S	324,838	63,782	Spartan Corp.†	920,374
130,000	Conagra Brands Inc.	4,416,100	45,000	Stericycle Inc.†	2,640,600
30,000	Dean Foods Co.	213,000	15,000	Stryker Corp.	2,665,200
67,500	Flowers Foods Inc.	1,259,550	12,500	SurModics Inc.†	933,125
67,500	General Mills Inc.	2,897,100	8,000	The Cooper Companies Inc.	2,217,200
5,400	John B Sanfilippo & Son Inc.	385,452	39,800	Zimmer Biomet Holdings Inc.	5,232,506
68,500	Kellogg Co.	4,796,370			<u>51,481,948</u>
35,000	Kerry Group plc, Cl. A	3,862,520		<b>Health Care Providers and Services — 18.6%</b>	
120,000	Kikkoman Corp.	7,139,588	18,000	Aetna Inc.	3,651,300
38,333	Lamb Weston Holdings Inc.	2,552,978	60,000	AmerisourceBergen Corp.	5,533,200
66,295	Lifeway Foods Inc.†	176,345	15,000	Anthem Inc.	4,110,750
23,000	Maple Leaf Foods Inc.	553,076	25,000	athenahealth Inc.†	3,340,000
15,000	MEIJI Holdings Co. Ltd.	1,007,305	25,000	BioTelemetry Inc.†	1,611,250
110,000	Mondelēz International Inc., Cl. A	4,725,600	12,000	Cigna Corp.	2,499,000
60,000	Nestlé SA	5,002,242	45,000	DaVita Inc.†	3,223,350
80,000	Pinnacle Foods Inc.	5,184,800	80,000	Envision Healthcare Corp.†	3,658,400
55,000	Post Holdings Inc.†	5,392,200			

See accompanying notes to schedule of investments.

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

<u>Shares</u>		<u>Market Value</u>	<u>Shares</u>		<u>Market Value</u>
	<b>COMMON STOCKS (Continued)</b>			<b>PREFERRED STOCKS — 0.0%</b>	
	<b>Health Care Providers and Services (Continued)</b>			<b>Pharmaceuticals — 0.0%</b>	
170,500	Evolent Health Inc., Cl. A†	\$ 4,842,200	146	BioScrip Inc., Zero Coupon†	\$ 12,545
40,000	Express Scripts Holding Co.†	3,800,400			
30,000	HCA Healthcare Inc.	4,173,600		<b>RIGHTS — 0.0%</b>	
11,266	iKang Healthcare Group Inc., ADR†	203,915		<b>Biotechnology — 0.0%</b>	
60,000	Kindred Healthcare Inc.†(a)	540,000	6,907	Tobira Therapeutics Inc.†(a)	414
22,200	Laboratory Corp. of America Holdings†	3,855,696		<b>Health Care Equipment and Supplies — 0.0%</b>	
45,000	LifePoint Health Inc.†	2,898,000	40,000	American Medical Alert Corp., CPR†(a)	400
15,000	McKesson Corp.	1,989,750		<b>TOTAL RIGHTS</b>	<u>814</u>
47,574	Orthofix Medical Inc.†	2,750,253		<b>WARRANTS — 0.0%</b>	
25,000	PetIQ Inc.†	982,750		<b>Pharmaceuticals — 0.0%</b>	
1,000	Teladoc Health Inc.†	86,350	420	BioScrip Inc., Cl. A, expire 07/27/25†	87
5,000	Tenet Healthcare Corp.†	142,300	420	BioScrip Inc., Cl. B, expire 07/27/25†	60
18,900	UnitedHealth Group Inc.	<u>5,028,156</u>			<u>147</u>
		<u>58,920,620</u>		<b>TOTAL WARRANTS</b>	<u>147</u>
	<b>Hotels and Gaming — 0.2%</b>				
7,500	Ryman Hospitality Properties Inc., REIT	<u>646,275</u>			
	<b>Household and Personal Products — 3.8%</b>		<b>Principal Amount</b>		
25,000	Avon Products Inc.†	55,000		<b>U.S. GOVERNMENT OBLIGATIONS — 6.1%</b>	
50,000	Church & Dwight Co. Inc.	2,968,500	\$19,232,000	U.S. Treasury Bills,	
30,000	Colgate-Palmolive Co.	2,008,500		2.002% to 2.204%††,	
50,000	Coty Inc., Cl. A	628,000		11/08/18 to 02/07/19	<u>19,145,947</u>
35,100	Edgewell Personal Care Co.†	1,622,673			
30,000	Energizer Holdings Inc.	1,759,500		<b>TOTAL INVESTMENTS — 100.0%</b>	
10,000	Sally Beauty Holdings Inc.†	183,900		(Cost \$220,767,599)	<u>\$316,152,238</u>
12,000	The Estee Lauder Companies Inc., Cl. A	1,743,840			
13,000	The Procter & Gamble Co.	<u>1,081,990</u>		(a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.	
		<u>12,051,903</u>		† Non-income producing security.	
	<b>Pharmaceuticals — 14.4%</b>			†† Represents annualized yields at dates of purchase.	
100,000	Abbott Laboratories	7,336,000		ADR American Depository Receipt	
27,000	Achaogen Inc.†	107,730		CPR Contingent Payment Right	
80,000	Akorn Inc.†	1,038,400		REIT Real Estate Investment Trust	
29,600	Allergan plc	5,638,208			
830,000	BioScrip Inc.†	2,573,000			
47,000	Bristol-Myers Squibb Co.	2,917,760			
56,000	Johnson & Johnson	7,737,520			
6,000	Melinta Therapeutics Inc.†	23,700			
80,000	Merck & Co. Inc.	5,675,200			
35,000	Mylan NV†	1,281,000			
68,000	Pfizer Inc.	2,996,760			
12,000	Roche Holding AG, ADR	361,920			
27,500	Shire plc, ADR	4,984,925			
30,000	Zoetis Inc.	<u>2,746,800</u>			
		<u>45,418,923</u>			
	<b>Specialty Chemicals — 1.4%</b>				
31,273	International Flavors & Fragrances Inc.	<u>4,350,700</u>			
	<b>TOTAL COMMON STOCKS</b>	<u>296,992,785</u>			

See accompanying notes to schedule of investments.



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

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<u>Geographic Diversification</u>	<u>% of Total Investments</u>	<u>Market Value</u>
North America . . . . .	84.5%	\$267,082,740
Europe . . . . .	9.4	29,856,276
Japan . . . . .	5.4	17,161,459
Asia/Pacific . . . . .	<u>0.7</u>	<u>2,051,763</u>
Total Investments . . . . .	<u>100.0%</u>	<u>\$316,152,238</u>

See accompanying notes to schedule of investments.

## The Gabelli Healthcare and Wellness<sup>Rx</sup> Fund

### Notes to Schedule of Investments (Unaudited)

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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 schedule of investments. 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 schedule of investments.

**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. dollar value American Depositary Receipt 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).

## The Gabelli Healthcare and Wellness<sup>Rx</sup> Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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 September 30, 2018 is as follows:

	Valuation Inputs			Total Market Value at 9/30/18
	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)	\$296,452,785	—	\$540,000	\$296,992,785
Preferred Stocks (a)	—	\$ 12,545	—	12,545
Rights (a)	—	—	814	814
Warrants (a)	—	147	—	147
U.S. Government Obligations	—	19,145,947	—	19,145,947
<b>TOTAL INVESTMENTS IN SECURITIES – ASSETS</b>	<b>\$296,452,785</b>	<b>\$19,158,639</b>	<b>\$540,814</b>	<b>\$316,152,238</b>

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

#### 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.

## The Gabelli Healthcare and Wellness<sup>Rx</sup> Fund

### Notes to Schedule of Investments (Unaudited) (Continued)

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

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

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

**Tax Information.** 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 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)



GABELLI  
FUNDS

### 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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John C. Ball  
Treasurer

Andrea R. Mango  
Secretary & Vice President

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.

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

## GRX

*Third Quarter Report  
September 30, 2018*