

Gabelli Healthcare & WellnessRx Trust  
Form N-Q  
May 25, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-22021

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

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Agnes Mullady

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: March 31, 2018

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

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

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

unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Schedule of Investments.**

The Schedule(s) of Investments is attached herewith.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****First Quarter Report March 31, 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 March 31, 2018, the net asset value ( NAV ) total return of The Gabelli Healthcare & WellnessRx Trust (the Fund ) was (3.8)%, compared with a total return of (1.2)% 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 \$11.17, while the price of the publicly traded shares closed at \$9.50 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed is the schedule of investments as of March 31, 2018.

**Comparative Results****Average Annual Returns through March 31, 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>                                |         |        |        |        |         |                            |
| <b>NAV Total Return (b)</b>                                                                | (3.79)% | 2.35%  | 0.08%  | 8.99%  | 10.41%  | 9.17%                      |
| <b>Investment Total Return (c)</b>                                                         | (6.77)  | (0.04) | (0.60) | 6.66   | 9.66    | 7.18                       |
| S&P 500 Health Care Index                                                                  | (1.22)  | 11.27  | 5.59   | 13.94  | 12.25   | 10.14                      |
| S&P 500 Index                                                                              | (0.76)  | 13.99  | 10.78  | 13.31  | 9.49    | 7.65                       |
| S&P 500 Consumer Staples Index                                                             | (7.12)  | (0.89) | 5.45   | 8.62   | 9.51    | 9.43                       |
| 50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index ( The Blended Index ) | (4.17)  | 5.19   | 5.52   | 11.28  | 10.88   | 9.79                       |

(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. The Blended Index consists of a 50% blend of each of the S&P 500 Health Care Index and S&P 500 Consumer Staples Index. Dividends are considered reinvested. You cannot invest directly in an index.

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

- (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 March 31, 2018 (Unaudited)**

| Shares                     |                                               | Market<br>Value |
|----------------------------|-----------------------------------------------|-----------------|
| <b>COMMON STOCKS 93.1%</b> |                                               |                 |
| <b>Beverages 6.4%</b>      |                                               |                 |
| 60,000                     | China Mengniu Dairy Co. Ltd.                  | \$ 205,654      |
| 69,000                     | Danone SA                                     | 5,580,552       |
| 40,000                     | Dr Pepper Snapple Group Inc.                  | 4,735,200       |
| 41,000                     | ITO EN Ltd.                                   | 1,593,299       |
| 29,000                     | Massimo Zanetti Beverage Group SpA            | 260,130         |
| 7,000                      | Morinaga Milk Industry Co. Ltd.               | 282,882         |
| 300,000                    | Parmalat SpA                                  | 1,105,560       |
| 20,000                     | PepsiCo Inc.                                  | 2,183,000       |
| 30,000                     | Suntory Beverage & Food Ltd.                  | 1,451,999       |
| 424,000                    | Vitasoy International Holdings Ltd.           | 1,091,315       |
|                            |                                               | 18,489,591      |
| <b>Biotechnology 5.0%</b>  |                                               |                 |
| 3,000                      | Agilent Technologies Inc.                     | 200,700         |
| 31,400                     | Alexion Pharmaceuticals Inc.                  | 3,499,844       |
| 25,000                     | Charles River Laboratories International Inc. | 2,668,500       |
| 2,000                      | Idorsia Ltd.                                  | 47,950          |
| 4,000                      | Illumina Inc.                                 | 945,680         |
| 22,000                     | Invitae Corp.                                 | 103,180         |
| 14,000                     | Ligand Pharmaceuticals Inc.                   | 2,312,240       |
| 400,000                    | NeoGenomics Inc.                              | 3,264,000       |
| 80,000                     | Osiris Therapeutics Inc.                      | 704,000         |
| 600                        | Regeneron Pharmaceuticals Inc.                | 206,616         |
| 24,000                     | Tetraphase Pharmaceuticals Inc.               | 73,680          |
| 1,600                      | Waters Corp.                                  | 317,840         |
|                            |                                               | 14,344,230      |
| <b>Electronics 2.5%</b>    |                                               |                 |
| 35,000                     | Thermo Fisher Scientific Inc.                 | 7,226,100       |

**Financial Services 0.5%**

|        |                                          |           |
|--------|------------------------------------------|-----------|
| 45,000 | Health Insurance Innovations Inc., Cl. A | 1,300,500 |
|--------|------------------------------------------|-----------|

**Food 22.8%**

|         |                                    |           |
|---------|------------------------------------|-----------|
| 10,000  | B&G Foods Inc.                     | 237,000   |
| 15,000  | Calavo Growers Inc.                | 1,383,000 |
| 35,000  | Campbell Soup Co.                  | 1,515,850 |
| 3,200   | Chr. Hansen Holding A/S            | 275,179   |
| 120,000 | Conagra Brands Inc.                | 4,425,600 |
| 30,000  | Dean Foods Co.                     | 258,600   |
| 67,500  | Flowers Foods Inc.                 | 1,475,550 |
| 87,900  | General Mills Inc.                 | 3,960,774 |
| 5,400   | John B Sanfilippo & Son Inc.       | 312,498   |
| 68,500  | Kellogg Co.                        | 4,453,185 |
| 35,000  | Kerry Group plc, Cl. A             | 3,537,855 |
| 125,000 | Kikkoman Corp.                     | 5,004,464 |
| 38,333  | Lamb Weston Holdings Inc.          | 2,231,747 |
| 67,000  | Lifeway Foods Inc.                 | 401,330   |
| 23,000  | Maple Leaf Foods Inc.              | 560,562   |
| 15,000  | MEIJI Holdings Co. Ltd.            | 1,146,093 |
| 110,000 | Mondelēz International Inc., Cl. A | 4,590,300 |
| 60,000  | Nestlé SA                          | 4,746,025 |

**Market**

**Shares**

**Value**

|         |                                       |              |
|---------|---------------------------------------|--------------|
| 80,000  | Pinnacle Foods Inc.                   | \$ 4,328,000 |
| 55,000  | Post Holdings Inc.                    | 4,166,800    |
| 15,000  | The Hain Celestial Group Inc.         | 481,050      |
| 27,000  | The J.M. Smucker Co.                  | 3,348,270    |
| 55,000  | The Kraft Heinz Co.                   | 3,425,950    |
| 110,000 | Tingyi (Cayman Islands) Holding Corp. | 228,181      |
| 75,000  | Unilever plc, ADR                     | 4,167,000    |
| 70,000  | Yakult Honsha Co. Ltd.                | 5,216,860    |
|         |                                       | 65,877,723   |

**Food and Staples Retailing 4.9%**

|        |                             |           |
|--------|-----------------------------|-----------|
| 81,000 | CVS Health Corp.            | 5,039,010 |
| 30,000 | Ingles Markets Inc., Cl. A  | 1,015,500 |
| 25,000 | Sprouts Farmers Market Inc. | 586,750   |
| 90,000 | The Kroger Co.              | 2,154,600 |

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

|        |                               |            |
|--------|-------------------------------|------------|
| 97,000 | United Natural Foods Inc.     | 4,165,180  |
| 20,000 | Walgreens Boots Alliance Inc. | 1,309,400  |
|        |                               | 14,270,440 |

**Health Care Equipment and Supplies 16.2%**

|         |                             |            |
|---------|-----------------------------|------------|
| 45,000  | Baxter International Inc.   | 2,926,800  |
| 12,154  | Becton, Dickinson and Co.   | 2,633,772  |
| 42,000  | Boston Scientific Corp.     | 1,147,440  |
| 105,000 | Cardiovascular Systems Inc. | 2,302,650  |
| 13,000  | Cutera Inc.                 | 653,250    |
| 45,000  | Gerresheimer AG             | 3,690,431  |
| 21,000  | Globus Medical Inc., Cl. A  | 1,046,220  |
| 40,000  | Henry Schein Inc.           | 2,688,400  |
| 1,000   | ICU Medical Inc.            | 252,400    |
| 187,691 | InfuSystems Holdings Inc.   | 544,304    |
| 50,292  | Integer Holdings Corp.      | 2,844,013  |
| 11,000  | K2M Group Holdings Inc.     | 208,450    |
| 45,000  | Medtronic plc               | 3,609,900  |
| 17,500  | Nevro Corp.                 | 1,516,725  |
| 10,000  | NuVasive Inc.               | 522,100    |
| 47,574  | Orthofix International NV   | 2,796,400  |
| 35,000  | Patterson Cos., Inc.        | 778,050    |
| 5,000   | Smith & Nephew plc, ADR     | 190,750    |
| 60,000  | Sparton Corp.               | 1,044,600  |
| 45,000  | Stericycle Inc.             | 2,633,849  |
| 15,000  | Stryker Corp.               | 2,413,800  |
| 65,128  | SurModics Inc.              | 2,478,120  |
| 15,000  | The Cooper Companies Inc.   | 3,432,150  |
| 39,500  | Zimmer Biomet Holdings Inc. | 4,307,080  |
|         |                             | 46,661,654 |

**Health Care Providers and Services 15.7%**

|        |                         |           |
|--------|-------------------------|-----------|
| 12,000 | Aetna Inc.              | 2,028,000 |
| 60,000 | AmerisourceBergen Corp. | 5,172,600 |
| 13,000 | Anthem Inc.             | 2,856,100 |
| 90,000 | BioTelemetry Inc.       | 2,794,500 |
| 400    | Chemed Corp.            | 109,144   |
| 20,000 | Cigna Corp.             | 3,354,800 |

See accompanying notes to schedule of investments.





**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Schedule of Investments (Continued) March 31, 2018 (Unaudited)**

| Shares                                                |                                         | Market<br>Value |
|-------------------------------------------------------|-----------------------------------------|-----------------|
| <b>COMMON STOCKS (Continued)</b>                      |                                         |                 |
| <b>Health Care Providers and Services (Continued)</b> |                                         |                 |
| 40,000                                                | DaVita Inc.                             | \$ 2,637,600    |
| 110,000                                               | Envision Healthcare Corp.               | 4,227,300       |
| 275,500                                               | Evolent Health Inc., Cl. A              | 3,925,875       |
| 25,000                                                | Express Scripts Holding Co.             | 1,727,000       |
| 45,000                                                | HCA Healthcare Inc.                     | 4,365,000       |
| 60,000                                                | Kindred Healthcare Inc.                 | 549,000         |
| 22,200                                                | Laboratory Corp. of America Holdings    | 3,590,850       |
| 15,000                                                | McKesson Corp.                          | 2,113,050       |
| 65,000                                                | PetIQ Inc.                              | 1,729,000       |
| 250,000                                               | Regional Health Properties Inc., REIT   | 92,675          |
| 1,000                                                 | Teladoc Inc.                            | 40,300          |
| 5,000                                                 | Tenet Healthcare Corp.                  | 121,250         |
| 18,900                                                | UnitedHealth Group Inc.                 | 4,044,600       |
|                                                       |                                         | 45,478,644      |
| <b>Hotels and Gaming 0.2%</b>                         |                                         |                 |
| 8,800                                                 | Ryman Hospitality Properties Inc., REIT | 681,560         |
| <b>Household and Personal Products 4.1%</b>           |                                         |                 |
| 40,000                                                | Avon Products Inc.                      | 113,600         |
| 44,000                                                | Church & Dwight Co. Inc.                | 2,215,840       |
| 30,000                                                | Colgate-Palmolive Co.                   | 2,150,400       |
| 50,000                                                | Coty Inc., Cl. A                        | 915,000         |
| 35,100                                                | Edgewell Personal Care Co.              | 1,713,582       |
| 30,000                                                | Energizer Holdings Inc.                 | 1,787,400       |
| 15,000                                                | Sally Beauty Holdings Inc.              | 246,750         |
| 12,000                                                | The Estee Lauder Companies Inc., Cl. A  | 1,796,640       |
| 13,000                                                | The Procter & Gamble Co.                | 1,030,640       |
|                                                       |                                         | 11,969,852      |
| <b>Pharmaceuticals 13.3%</b>                          |                                         |                 |
| 100,000                                               | Abbott Laboratories                     | 5,992,000       |
| 20,000                                                | Achaogen Inc.                           | 259,000         |
| 120,000                                               | Akorn Inc.                              | 2,245,200       |

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

|         |                           |           |
|---------|---------------------------|-----------|
| 29,600  | Allergan plc              | 4,981,384 |
| 850,000 | BioScrip Inc.             | 2,091,000 |
| 46,000  | Bristol-Myers Squibb Co.  | 2,909,500 |
| 18,000  | Endo International plc    | 106,920   |
| 36,000  | Johnson & Johnson         | 4,613,400 |
| 8,400   | Melinta Therapeutics Inc. | 62,160    |
| 75,000  | Merck & Co. Inc.          | 4,085,250 |
| 30,000  | Mylan NV                  | 1,235,100 |
| 1,000   | Ophthotech Corp.          | 2,740     |
| 68,000  | Pfizer Inc.               | 2,413,320 |
| 12,000  | Roche Holding AG, ADR     | 343,500   |
| 30,000  | Shire plc, ADR            | 4,481,700 |
| 30,000  | Zoetis Inc.               | 2,505,300 |

38,327,474

**Market**

**Shares**

**Value**

**Specialty Chemicals 1.5%**

32,273 International Flavors & Fragrances Inc. \$ 4,418,496

**TOTAL COMMON STOCKS**

269,046,264

**PREFERRED STOCKS 0.0%**

**Pharmaceuticals 0.0%**

146 BioScrip Inc., Zero Coupon 9,405

**RIGHTS 0.0%**

**Biotechnology 0.0%**

6,907 Tobira Therapeutics Inc. (a) 414

**Health Care Equipment and Supplies 0.0%**

40,000 American Medical Alert Corp., CPR (a) 400

**TOTAL RIGHTS**

814

**WARRANTS 0.0%**

**Pharmaceuticals 0.0%**

420 BioScrip Inc., Cl. A, expire 07/27/25 148

420 BioScrip Inc., Cl. B, expire 07/27/25 130

278

**TOTAL WARRANTS**

278

**Principal**

**Amount**

|                                    |                                                              |                |
|------------------------------------|--------------------------------------------------------------|----------------|
| <b>U.S. GOVERNMENT OBLIGATIONS</b> |                                                              | <b>6.9%</b>    |
| \$20,013,000                       | U.S. Treasury Bills, 1.228% to 1.867% , 04/05/18 to 09/13/18 | 19,942,489     |
| <b>TOTAL INVESTMENTS</b>           |                                                              | <b>100.0%</b>  |
| (Cost \$222,655,539)               |                                                              | \$ 288,999,250 |

(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 yield at date of purchase.

ADR American Depository Receipt CPR Contingent Payment Right REIT Real Estate Investment Trust

ADR American Depository Receipt

CPR Contingent Payment Right

REIT Real Estate Investment Trust

See accompanying notes to schedule of investments.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Schedule of Investments (Continued) March 31, 2018 (Unaudited)**

|                                   | <b>% of Total</b>  | <b>Market</b>  |
|-----------------------------------|--------------------|----------------|
| <b>Geographic Diversification</b> | <b>Investments</b> | <b>Value</b>   |
| North America                     | 80.1%              | \$ 231,622,169 |
| Europe.                           | 13.3               | 38,359,935     |
| Japan                             | 5.1                | 14,695,597     |
| Latin America                     | 1.1                | 3,230,234      |
| Asia/Pacific                      | 0.4                | 1,091,315      |
| Total Investments                 | 100.0%             | \$ 288,999,250 |

See accompanying notes to schedule of investments.

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

### Notes to Schedule of Investments (Unaudited)

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 March 31, 2018 is as follows:

|                                                   | Valuation Inputs         |                                                   |                                            | Total Market Value<br>at 3/31/18 |
|---------------------------------------------------|--------------------------|---------------------------------------------------|--------------------------------------------|----------------------------------|
|                                                   | Level 1<br>Quoted Prices | Level 2 Other Significant<br>Observable<br>Inputs | Level 3 Significant<br>Unobservable Inputs |                                  |
| <b>INVESTMENTS IN SECURITIES:</b>                 |                          |                                                   |                                            |                                  |
| <b>ASSETS (Market Value):</b>                     |                          |                                                   |                                            |                                  |
| Common Stocks (a)                                 | \$269,046,264            |                                                   |                                            | \$269,046,264                    |
| Preferred Stocks (a)                              |                          | \$ 9,405                                          |                                            | 9,405                            |
| Rights (a)                                        |                          |                                                   | \$814                                      | 814                              |
| Warrants (a)                                      |                          | 278                                               |                                            | 278                              |
| U.S. Government Obligations                       |                          | 19,942,489                                        |                                            | 19,942,489                       |
| <b>TOTAL INVESTMENTS IN<br/>SECURITIES ASSETS</b> | <b>\$269,046,264</b>     | <b>\$ 19,952,172</b>                              | <b>\$814</b>                               | <b>\$288,999,250</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.



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

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.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes

---

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

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

in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

The Fund's derivative contracts held at March 31, 2018, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

**Forward Foreign Exchange Contracts.** The Fund may engage in forward foreign exchange contracts for the purpose of hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency translations. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. At March 31, 2018, the Fund held no investments in forward foreign exchange contracts.

**Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps.** Subject to the guidelines of the Board, the Fund may engage in commodity interest transactions (generally, transactions in futures, certain options, certain currency transactions, and certain types of swaps) only for bona fide hedging or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (CFTC). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (CEA), the Adviser has filed a notice of exemption from registration as a commodity pool operator with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund which permit the Fund to engage in commodity interest transactions that include (i) bona fide hedging transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund's assets committed to margin and options premiums and (ii) non-bona fide hedging transactions, provided that the Fund does not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund's existing futures positions or swaps positions and option or swaption premiums would exceed 5% of the market value

of the Fund's liquidating value, after taking

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

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

into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund's commodity interest transactions would not exceed 100% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future, the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund's performance.

**Investments in Other Investment Companies.** The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the "Acquired Funds") in accordance with the 1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. At March 31, 2018, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than 1 basis point.

**Securities Sold Short.** The Fund may enter into short sale transactions. Short selling involves selling securities that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace such borrowed securities at a later date. The proceeds received from short sales are recorded as liabilities and the Fund records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of an open short position on the day of determination. The Fund records a realized gain or loss when the short position is closed out. By entering into a short sale, the Fund bears the market risk of an unfavorable change in the price of the security sold short. Dividends on short sales are recorded as an expense by the Fund on the ex-dividend date and interest expense is recorded on the accrual basis. The broker retains collateral for the value of the open positions, which is adjusted periodically as the value of the position fluctuates. At March 31, 2018, there were no short sales outstanding.

**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

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

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

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)

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

Agnes Mullady

President

John C. Ball

Treasurer

Andrea R. Mango

Secretary & Vice President

Richard J. Walz

Chief Compliance Officer

Bethany A. Uhlein

Assistant 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 Q1/2018**



**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

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

**SIGNATURES**

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

(Registrant) The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust

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

Agnes Mullady, Principal Executive Officer

Date 5/24/18

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

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

Agnes Mullady, Principal Executive Officer

Date 5/24/18

By (Signature and Title)\* /s/ John C. Ball

John C. Ball, Principal Financial Officer

Date 5/24/18

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