

Gabelli Healthcare & WellnessRx Trust
Form N-CSR
March 07, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

Investment Company Act file number 811-22021

The Gabelli Healthcare & Wellness^{Rx} 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: December 31, 2018

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to 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. Reports to Stockholders.

The Report to Shareholders is attached herewith.

The Gabelli Healthcare & Wellness^{Rx} Trust

Annual Report December 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 year ended December 31, 2018, the net asset value (NAV) total return of The Gabelli Healthcare & WellnessRx Trust (the Fund) was (2.7)%, compared with a total return of 6.5% for the Standard & Poor's (S&P) 500 Health Care Index. The total return for the Fund's publicly traded shares was (5.8)%. The Fund's NAV per share was \$10.95, while the price of the publicly traded shares closed at \$9.25 on the New York Stock Exchange (NYSE). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2018.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.gabelli.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports in paper free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to info@gabelli.com.

Comparative Results

Average Annual Returns through December 31, 2018 (a) (Unaudited)

	1 Year	3 Year	5 Year	10 Year	Since Inception (06/28/07)
Gabelli Healthcare & Wellness^{Rx} Trust					
NAV Total Return (b)	(2.65)%	1.97%	5.34%	12.69%	8.65%
Investment Total Return (c)	(5.78)	1.67	3.65	12.83	6.79
S&P 500 Health Care Index	6.47	8.14	11.12	14.65	10.17
S&P 500 Index	(4.38)	9.26	8.49	13.12	6.79
S&P 500 Consumer Staples Index	(8.38)	3.09	6.26	10.96	8.66
50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index (The Blended Index)	(0.96)	5.62	8.69	12.81	9.42

- (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 do not 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 for performance information as of the most recent month end. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.* The S&P 500 Health Care Index is an unmanaged indicator of health care equipment and services, pharmaceuticals, biotechnology, and life sciences stock performance. The S&P 500 Index is an unmanaged indicator of stock market performance. The S&P 500 Consumer Staples Index is an unmanaged indicator of food and staples retailing, food, beverage and tobacco, and household and personal products stock performance. Dividends are considered reinvested. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$8.00.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$8.00.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2018:

The Gabelli Healthcare & Wellness^{Rx} Trust

Food	22.5%
Pharmaceuticals	17.3%
Health Care Equipment and Supplies	17.3%
Health Care Providers and Services	15.8%
U.S. Government Obligations	5.4%
Beverages	5.0%
Biotechnology	4.7%
Food and Staples Retailing	4.3%
Household and Personal Products	3.7%
Electronics	2.3%
Specialty Chemicals	1.5%
Hotels and Gaming	0.2%
	100.0%

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

Proxy Voting

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

The Gabelli Healthcare & Wellness^{Rx} Trust**Schedule of Investments December 31, 2018**

Shares		Cost	Market Value
COMMON STOCKS 94.6%			
Beverages 5.0%			
60,000	China Mengniu Dairy Co. Ltd.	\$ 134,296	\$ 186,961
69,000	Danone SA	4,505,091	4,862,785
41,000	ITO EN Ltd.	971,431	1,842,297
40,000	Keurig Dr Pepper Inc.	906,420	1,025,600
30,000	Massimo Zanetti Beverage Group SpA	361,307	197,642
7,000	Morinaga Milk Industry Co. Ltd.	121,875	196,706
20,000	PepsiCo Inc.	1,352,672	2,209,600
30,000	Suntory Beverage & Food Ltd.	1,001,275	1,357,602
424,000	Vitasoy International Holdings Ltd.	253,570	1,616,295
		9,607,937	13,495,488
Biotechnology 4.7%			
21,400	Alexion Pharmaceuticals Inc.	2,303,354	2,083,504
15,000	Charles River Laboratories International Inc.	1,401,017	1,697,700
2,000	Idorsia Ltd.	20,590	33,004
3,800	Illumina Inc.	202,951	1,139,734
18,000	Invitae Corp.	165,205	199,080
15,000	Ligand Pharmaceuticals Inc.	2,075,564	2,035,500
50,000	NeoGenomics Inc.	372,930	630,500
250,000	Osiris Therapeutics Inc.	2,186,154	3,375,000
1,200	Regeneron Pharmaceuticals Inc.	420,992	448,200
2,400	TESARO Inc.	177,080	178,200
24,000	Tetraphase Pharmaceuticals Inc.	144,968	27,120
49,700	Veracyte Inc.	504,175	625,226
1,600	Waters Corp.	197,843	301,840
		10,172,823	12,774,608
Electronics 2.3%			
27,500	Thermo Fisher Scientific Inc.	3,291,928	6,154,225
Food 22.5%			
15,000	Calavo Growers Inc.	498,575	1,094,400
35,000	Campbell Soup Co.	1,387,115	1,154,650
3,200	Chr. Hansen Holding A/S	180,647	283,146
181,952	Conagra Brands Inc.	5,338,804	3,886,495

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67,500	Flowers Foods Inc.	657,458	1,246,725
67,000	General Mills Inc.	2,879,493	2,608,980
5,400	John B Sanfilippo & Son Inc.	201,924	300,564
68,800	Kellogg Co.	3,852,418	3,922,288
35,000	Kerry Group plc, Cl. A	1,331,659	3,438,685
120,000	Kikkoman Corp.	1,463,825	6,470,508
38,333	Lamb Weston Holdings Inc.	828,118	2,819,776
62,295	Lifeway Foods Inc.	575,504	117,115
23,000	Maple Leaf Foods Inc.	410,536	460,438
15,000	MEIJI Holdings Co. Ltd.	310,384	1,226,222
110,000	Mondelēz International Inc., Cl. A	3,210,260	4,403,300

Market

Shares		Cost	Value
70,000	Nestlé SA	\$ 4,386,867	\$ 5,683,183
10,000	Nomad Foods Ltd.	197,323	167,200
55,000	Post Holdings Inc.	2,015,206	4,902,150
106,000	The Hain Celestial Group Inc.	2,409,922	1,681,160
29,000	The J.M. Smucker Co.	1,837,355	2,711,210
85,000	The Kraft Heinz Co.	5,716,670	3,658,400
110,000	Tingyi (Cayman Islands) Holding Corp.	176,608	146,938
75,000	Unilever plc, ADR	2,456,359	3,918,750
70,000	Yakult Honsha Co. Ltd.	2,252,034	4,930,432

44,575,064 61,232,715

Food and Staples Retailing 4.3%

81,000	CVS Health Corp.	2,964,575	5,307,120
30,000	Ingles Markets Inc., Cl. A	454,430	816,600
50,000	Sprouts Farmers Market Inc.	1,100,844	1,175,500
100,000	The Kroger Co.	1,307,173	2,750,000
20,000	United Natural Foods Inc.	566,299	211,800
20,000	Walgreens Boots Alliance Inc.	1,281,136	1,366,600

7,674,457 11,627,620

Health Care Equipment and Supplies 17.3%

55,000	Baxter International Inc.	2,329,096	3,620,100
14,500	Becton, Dickinson and Co.	2,987,251	3,267,140
38,000	Boston Scientific Corp.	243,119	1,342,920
100,000	Cardiovascular Systems Inc.	2,358,330	2,849,000
17,000	Cutera Inc.	182,905	289,340
25,000	DENTSPLY SIRONA Inc.	927,375	930,250
40,000	Electromed Inc.	219,079	203,600
39,950	Gerresheimer AG	1,885,798	2,620,490
20,000	Globus Medical Inc., Cl. A	477,686	865,600
20,000	Henry Schein Inc.	515,046	1,570,400
10,400	ICU Medical Inc.	2,423,236	2,388,152
265,000	InfuSystems Holdings Inc.	786,388	911,600
23,800	Integer Holdings Corp.	516,743	1,814,988

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185,000	Lantheus Holdings Inc.	2,543,176	2,895,250
45,000	Medtronic plc	3,491,978	4,093,200
65,000	Nevro Corp.	3,794,259	2,527,850
10,000	NuVasive Inc.	370,388	495,600
50,000	Patterson Cos. Inc.	1,484,945	983,000
30,000	Semler Scientific Inc.	880,322	1,032,000
5,000	Smith & Nephew plc, ADR	168,590	186,900
63,782	Sparton Corp.	1,297,326	1,160,195
50,000	Stericycle Inc.	3,154,234	1,834,500
15,000	Stryker Corp.	889,665	2,351,250
12,500	SurModics Inc.	246,489	590,750
8,000	The Cooper Companies Inc.	580,110	2,036,000
39,800	Zimmer Biomet Holdings Inc.	4,248,869	4,128,056
		39,002,403	46,988,131
	Health Care Providers and Services	15.8%	
60,000	AmerisourceBergen Corp.	3,921,999	4,464,000
15,000	Anthem Inc.	2,325,943	3,939,450

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust**Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
COMMON STOCKS (Continued)			
Health Care Providers and Services (Continued)			
35,000	athenahealth Inc.	\$ 5,037,563	\$ 4,617,550
25,000	BioTelemetry Inc.	611,999	1,493,000
60,000	DaVita Inc.	3,637,833	3,087,600
240,500	Evolent Health Inc., Cl. A	4,327,731	4,797,975
30,000	HCA Healthcare Inc.	1,108,194	3,733,500
70,000	Health Insurance Innovations Inc., Cl. A	2,840,007	1,871,100
25,000	iKang Healthcare Group Inc., ADR	398,110	509,500
22,200	Laboratory Corp. of America Holdings	2,557,841	2,805,192
15,000	McKesson Corp.	1,044,224	1,657,050
47,574	Orthofix Medical Inc.	1,436,128	2,497,159
60,525	PetIQ Inc.	1,611,948	1,420,522
51,000	Teladoc Health Inc.	2,553,748	2,528,070
5,000	Tenet Healthcare Corp.	87,252	85,700
13,900	UnitedHealth Group Inc.	1,550,826	3,462,768
		35,051,346	42,970,136
Hotels and Gaming 0.2%			
7,500	Ryman Hospitality Properties Inc., REIT	203,045	500,175
Household and Personal Products 3.7%			
25,000	Avon Products Inc.	85,556	38,000
50,000	Church & Dwight Co. Inc.	1,654,365	3,288,000
30,000	Colgate-Palmolive Co.	1,859,734	1,785,600
25,000	Edgewell Personal Care Co.	1,957,158	933,750
30,000	Energizer Holdings Inc.	982,875	1,354,500
12,000	The Estee Lauder Companies Inc., Cl. A	804,724	1,561,200
13,000	The Procter & Gamble Co.	1,000,591	1,194,960
		8,345,003	10,156,010
Pharmaceuticals 17.3%			
100,000	Abbott Laboratories	3,521,065	7,233,000
20,000	Achaogen Inc.	137,389	24,600
30,000	Allergan plc	4,911,138	4,009,800
770,000	BioScrip Inc.	1,541,752	2,748,900
47,000	Bristol-Myers Squibb Co.	1,665,066	2,443,060

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21,736	Cigna Corp.	2,532,333	4,128,101
46,000	Johnson & Johnson	4,267,376	5,936,300
4,000	Melinta Therapeutics Inc.	41,040	3,171
80,000	Merck & Co. Inc.	3,689,520	6,112,800
35,000	Mylan NV	1,690,740	959,000
15,000	Paratek Pharmaceuticals Inc.	112,371	76,950
45,000	Perrigo Co. plc	2,689,625	1,743,750
68,000	Pfizer Inc.	1,476,615	2,968,200
12,000	Roche Holding AG, ADR	250,095	372,960
33,000	Shire plc, ADR	5,338,903	5,743,320
			Market
Shares		Cost	Value
30,000	Zoetis Inc.	\$ 1,313,659	\$ 2,566,200
		35,178,687	47,070,112
	Specialty Chemicals 1.5%		
31,273	International Flavors & Fragrances Inc.	3,109,627	4,199,026
	TOTAL COMMON STOCKS	196,212,320	257,168,246
	PREFERRED STOCKS 0.0%		
	Pharmaceuticals 0.0%		
146	BioScrip Inc., Zero Coupon	13,852	14,917
	RIGHTS 0.0%		
	Biotechnology 0.0%		
6,907	Tobira Therapeutics Inc. (a)	414	414
	Health Care Equipment and Supplies 0.0%		
40,000	American Medical Alert Corp., CPR (a)	0	400
	TOTAL RIGHTS	414	814
	WARRANTS 0.0%		
	Pharmaceuticals 0.0%		
420	BioScrip Inc., Cl. A, expire 07/27/25	384	265
420	BioScrip Inc., Cl. B, expire 07/27/25	363	239
	TOTAL WARRANTS	747	504
	Principal Amount		
	U.S. GOVERNMENT OBLIGATIONS 5.4%		
\$14,682,000	U.S. Treasury Bills, 2.204% to 2.389% , 01/17/19 to 03/21/19	14,637,665	14,637,672
TOTAL INVESTMENTS 100.0%		\$ 210,864,998	271,822,153

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust**Schedule of Investments (Continued) December 31, 2018**

	Market
	Value
Other Assets and Liabilities (Net)	\$ (172,926)
PREFERRED STOCK	
(2,681,443 preferred shares outstanding)	(67,036,075)
NET ASSETS COMMON STOCK	
(18,677,778 common shares outstanding)	\$ 204,613,152
NET ASSET VALUE PER COMMON SHARE	
(\$204,613,152 ÷ 18,677,778 shares outstanding)	\$ 10.95

- (a) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.
 Non-income producing security.
 Represents annualized yields at dates of purchase.
 ADR American Depository Receipt
 CPR Contingent Payment Right
 REIT Real Estate Investment Trust

	% of Total	Market
Geographic Diversification	Investments	Value
North America	83.0%	\$ 225,698,996
Europe	10.2	27,639,695
Japan	5.9	16,023,767
Asia/Pacific	0.9	2,459,695
Total Investments	100.0%	\$ 271,822,153

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust
Statement of Assets and Liabilities**December 31, 2018****Assets:**

Investments, at value (cost \$210,864,998)	\$ 271,822,153
Cash	6,265
Dividends receivable	396,968
Deferred offering expense	109,878
Prepaid expenses	2,224

Total Assets	272,337,488
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Liabilities:

Foreign currency overdraft, at value (cost \$117)	117
Distributions payable	54,220
Payable for Fund shares redeemed	32,440
Payable for investments purchased	157,787
Payable for investment advisory fees	238,363
Payable for payroll expenses	70,011
Payable for accounting fees	7,500
Other accrued expenses	127,823

Total Liabilities	688,261
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Preferred Shares:

Series A Cumulative Preferred Shares (5.760%, \$25 liquidation value, \$0.001 par value, 1,200,000 shares authorized, issued, and outstanding)	30,000,000
Series B Cumulative Preferred Shares (5.875%, \$25 liquidation value, \$0.001 par value, 1,481,443 shares authorized, issued, and outstanding)	37,036,075

Total Preferred Shares	67,036,075
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Net Assets Attributable to Common Shareholders	\$ 204,613,152
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Net Assets Attributable to Common Shareholders Consist of:

Paid-in capital	\$ 144,044,478
Total distributable earnings(a)	60,568,674

Net Assets	\$ 204,613,152
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Net Asset Value per Common Share:

(\$204,613,152 ÷ 18,677,778 shares outstanding at \$0.001 par value; unlimited number of shares authorized)	<u>\$10.95</u>
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- (a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.

Statement of Operations

For the Year Ended December 31, 2018

Investment Income:

Dividends (net of foreign withholding taxes of \$96,088)	\$ 4,797,817
Interest	350,756

Total Investment Income 5,148,573

Expenses:

Investment advisory fees	3,002,368
Shareholder communications expenses	180,486
Payroll expenses	161,919
Legal and audit fees	107,875
Shareholder services fees	90,764
Trustees fees	56,135
Accounting fees	45,000
Custodian fees	25,494
Interest expense	117
Miscellaneous expenses	82,617

Total Expenses 3,752,775

Less:

Expenses paid indirectly by broker (See Note 3)	(2,102)
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Net Expenses 3,750,673

Net Investment Income 1,397,900

Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency:

Net realized gain on investments	13,359,750
Net realized loss on foreign currency transactions	(7,820)

Net realized gain on investments and foreign currency transactions 13,351,930

Net change in unrealized appreciation/depreciation:

on investments	(17,025,682)
on foreign currency translations	(3,291)

(17,028,973)

Net change in unrealized appreciation/depreciation on investments and foreign currency translations	
Net Realized and Unrealized Gain/(Loss) on Investments and Foreign Currency	(3,677,043)
Net Decrease in Net Assets Resulting from Operations	(2,279,143)
Total Distributions to Preferred Shareholders	(3,903,869)
Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations	\$ (6,183,012)

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust**Statement of Changes in Net Assets Attributable To Common Shareholders**

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operations:		
Net investment income/(loss)	\$ 1,397,900	\$ (160,736)
Net realized gain on investments and foreign currency transactions	13,351,930	13,938,115
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	(17,028,973)	17,911,671
Net Increase/(Decrease) in Net Assets Resulting from Operations	(2,279,143)	31,689,050
Distributions to Preferred Shareholders(a)	(3,903,869)	(3,903,869)*
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations		
	(6,183,012)	27,785,181
Distributions to Common Shareholders:		
Accumulated Earnings	(10,103,985)	(10,159,433)**
Return of capital		(146,238)
Total Distributions to Common Shareholders(a)	(10,103,985)	(10,305,671)
Fund Share Transactions:		
Net decrease from repurchase of common shares	(11,746,403)	(410,386)
Adjustment to offering costs for common shares	2,197	
Net Decrease in Net Assets from Fund Share Transactions	(11,744,206)	(410,386)
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders		
	(28,031,203)	17,069,124
Net Assets Attributable to Common Shareholders:		
Beginning of year	232,644,355	215,575,231
End of year	\$ 204,613,152	\$ 232,644,355

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- (a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.
- * For the year ended December 31, 2017, the distributions to Preferred shareholders from net investment income and net realized gain were \$8,691 and \$3,895,178, respectively.
- ** For the year ended December 31, 2017, the distributions to Common shareholders from net investment income and net realized gain were \$22,618 and \$10,136,815, respectively.

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust**Financial Highlights**

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

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Operating Performance:					
Net asset value, beginning of year	\$ 11.74	\$ 10.86	\$ 11.79	\$ 11.76	\$ 11.33
Net investment income/(loss)	0.07	(0.01)	(0.02)	(0.03)	0.01
Net realized and unrealized gain/(loss) on investments, and foreign currency transactions	(0.23)	1.61	(0.21)	0.75	2.04
Total from investment operations	(0.16)	1.60	(0.23)	0.72	2.05
Distributions to Preferred Shareholders:(a)					
Net investment income	(0.02)	(0.01)			
Net realized short term/long term gain	(0.18)	(0.19)	(0.19)	(0.19)	(0.13)
Total distributions to preferred shareholders	(0.20)	(0.20)	(0.19)	(0.19)	(0.13)
Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations					
	(0.36)	1.40	(0.42)	0.53	1.92
Distributions to Common Shareholders:					
Net investment income	(0.05)	(0.00)(b)			
Net realized short term/long term gain	(0.47)	(0.51)	(0.52)	(0.51)	(0.62)
Return of capital		(0.01)			
Total distributions to common shareholders	(0.52)	(0.52)	(0.52)	(0.51)	(0.62)

Fund Share Transactions:

Increase in net asset value from repurchase of common shares	0.09	0.00(b)		0.01	
Decrease in net asset value from common shares issued in rights offering					(0.77)
Offering costs for preferred shares charged to paid-in capital					(0.08)
Offering costs and adjustment to offering costs for common shares charged to paid-in capital	0.00(b)			(0.00)(b)	(0.02)
Increase in net asset value from offering of preferred shares			0.01		
Total Fund share transactions	0.09	0.00(b)	0.01	0.01	(0.87)

Net Asset Value Attributable to Common Shareholders, End of Year	\$ 10.95	\$ 11.74	\$ 10.86	\$ 11.79	\$ 11.76
NAV total return	(2.65)%	13.02%	(3.63)%	4.55%	16.98%
Market value, end of year	\$ 9.25	\$ 10.33	\$ 9.43	\$ 10.25	\$ 10.42
Investment total return	(5.78)%	15.17%	(3.15)%	3.14%	10.39%

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust**Financial Highlights (Continued)**

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

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Ratios to Average Net Assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of year (in 000 s)	\$271,649	\$299,680	\$282,611	\$299,097	\$299,595
Net assets attributable to common shares, end of year (in 000 s)	\$204,613	\$232,644	\$215,575	\$234,097	\$234,595
Ratio of net investment income/(loss) to average net assets attributable to common shares before preferred share distributions	0.60%	(0.07)%	(0.20)%	(0.22)%	(0.27)%
Ratio of operating expenses to average net assets attributable to common shares (c)	1.61%(d)	1.65%(d)	1.62%(d)	1.60%(d)	1.63%
Portfolio turnover rate	32.4%	34.3%	31.7%	52.4%	43.5%
Cumulative Preferred Shares:					
5.760% Series A Preferred					
Liquidation value, end of year (in 000 s)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Total shares outstanding (in 000 s)	1,200	1,200	1,200	1,200	1,200
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (e)	\$ 25.43	\$ 25.89	\$ 26.12	\$ 25.96	\$ 25.85
Asset coverage per share (f)	\$ 101.31	\$ 111.76	\$ 105.40	\$ 115.04	\$ 115.23
5.875% Series B Preferred					
Liquidation value, end of year (in 000 s)	\$ 37,036	\$ 37,036	\$ 37,036	\$ 35,000	\$ 35,000
Total shares outstanding (in 000 s)	1,481	1,481	1,481	1,400	1,400
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value (e)	\$ 25.83	\$ 26.67	\$ 26.76	\$ 26.09	\$ 25.37

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Asset coverage per share (f)	\$ 101.31	\$ 111.76	\$ 105.40	\$ 115.04	\$ 115.23
Asset Coverage(g)	405%	447%	422%	460%	461%

Based on net asset value per share at commencement of operations of \$8.00 per share, adjusted for reinvestment of distributions at the net asset value per share on ex-dividend dates including the effect of shares issued pursuant to the rights offerings, assuming full subscription by shareholders.

Based on market value per share at initial public offering of \$8.00 per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan including the effect of shares issued pursuant to the rights offerings, assuming full subscription by shareholders.

- (a) Calculated based on average common shares outstanding on the record dates throughout the years.
- (b) Amount represents less than \$0.005 per share.
- (c) Ratio of operating expenses to average net assets including liquidation value of preferred shares for the years ended December 31, 2018, 2017, 2016, 2015, and 2014 would have been 1.25%, 1.27%, 1.26%, 1.26%, and 1.36%, respectively.
- (d) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. Had such payments not been made, this expense ratio for the year ended December 31, 2015 would have been 1.27%. For the years ended December 31, 2018, 2017, and 2016, there was no impact on the expense ratios.
- (e) Based on weekly prices.
- (f) Asset coverage per share is calculated by combining all series of preferred shares.
- (g) Asset coverage is calculated by combining all series of preferred shares.

See accompanying notes to financial statements.

The Gabelli Healthcare & Wellness^{Rx} Trust

Notes to Financial Statements

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

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

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

New Accounting Pronouncements. The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets Attributable To Common Shareholders. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets Attributable To Common Shareholders. These Regulation S-X amendments are reflected in the Fund's financial statements for the year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets Attributable To Common Shareholders presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

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

The Gabelli Healthcare & Wellness^{Rx} Trust

Notes to Financial Statements (Continued)

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 Depository Receipts securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

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

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

The Gabelli Healthcare & Wellness^{Rx} Trust**Notes to Financial Statements (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 December 31, 2018 is as follows:

	Valuation Inputs			Total Market Value at 12/31/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks (a)	\$ 257,168,246			\$ 257,168,246
Preferred Stocks (a)		\$ 14,917		14,917
Rights (a)			\$ 814	814
Warrants (a)		504		504
U.S. Government Obligations		14,637,672		14,637,672
TOTAL INVESTMENTS IN SECURITIES ASSETS	\$ 257,168,246	\$ 14,653,093	\$ 814	\$ 271,822,153

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings. During the year ended December 31, 2018, the Fund did not have transfers into or out of Level 3.

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 & Wellness^{Rx} Trust

Notes to Financial Statements (Continued)

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.

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

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

Distributions to Shareholders. Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign

currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in

The Gabelli Healthcare & Wellness^{Rx} Trust**Notes to Financial Statements (Continued)**

the period when the differences arise. Permanent differences were primarily due to the re-designation of dividends. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2018, reclassifications were made to decrease paid-in capital by \$1,299, with an offsetting adjustment to total distributable earnings.

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

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

The tax character of distributions paid during the years ended December 31, 2018 and 2017 was as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Common	Preferred	Common	Preferred
Distributions paid from:				
Ordinary income (inclusive of short term capital gains)	\$ 5,550,538	\$ 2,144,557	\$ 592,084	\$ 227,515
Net long term capital gains	4,553,447	1,759,312	9,567,349	3,676,354
Return of capital			146,238	
Total distributions paid	\$ 10,103,985	\$ 3,903,869	\$ 10,305,671	\$ 3,903,869

Provision for Income Taxes. The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2018, the components of accumulated earnings/losses on a tax basis were as follows:

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Undistributed ordinary income	\$ 194,769
Undistributed long term capital gains	204,256
Net unrealized appreciation on investments and foreign currency translations	60,169,649
Total	\$ 60,568,674

At December 31, 2018, the temporary differences between book basis and tax basis net unrealized appreciation on investments were primarily due to deferral of losses on wash sales for tax purposes.

The Gabelli Healthcare & Wellness^{Rx} Trust**Notes to Financial Statements (Continued)**

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2018:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
Investments	\$211,649,033	\$78,058,596	\$(17,885,476)	\$60,173,120

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. During the year ended December 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2018, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

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

During the year ended December 31, 2018, the Fund paid \$11,326 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$2,102.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement. During the year ended December 31, 2018, the Fund accrued \$45,000 in accounting fees in the Statement of Operations.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser). During the year ended December 31, 2018, the Fund accrued \$161,919 in payroll expenses in the Statement of Operations.

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The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$1,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended. In addition, the Audit Committee Chairman receives an annual fee of \$3,000, the Nominating Committee Chairman receives an annual fee of \$2,000, and the Lead Trustee receives an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf

The Gabelli Healthcare & Wellness^{Rx} Trust**Notes to Financial Statements (Continued)**

of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

4. Portfolio Securities. Purchases and sales of securities during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$91,075,856 and \$105,747,896, respectively.

5. Capital. The Fund is authorized to issue an unlimited number of shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its shares on the open market when the shares are trading on the NYSE at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the year ended December 31, 2018, the Fund repurchased and retired 1,130,986 common shares in the open market at an investment of \$11,746,403 and an average discount of approximately 14.70% from its NAV. During the year ended December 31, 2017, the Fund repurchased and retired 39,340 common shares in the open market at an investment of \$410,386 and an average discount of approximately 10.75% from its NAV.

Transactions in shares of beneficial interest were as follows:

	Year Ended		Year Ended	
	December 31, 2018		December 31, 2017	
	Shares	Amount	Shares	Amount
Net decrease from repurchase of common shares	(1,130,986)	\$(11,746,403)	(39,340)	\$(410,386)

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

The Fund's Declaration of Trust, as amended, authorizes the issuance of an unlimited number of shares of \$0.001 par value Preferred Shares. The Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statement of Preferences to meet certain asset coverage tests with respect to the Preferred Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Preferred Shares at redemption prices of \$25 per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

For the Series A Preferred at any time and for the Series B Preferred commencing September 24, 2019 and at any time thereafter, the Fund, at its option, may redeem the Series A Preferred or Series B Preferred at their redemption prices

per share plus an amount equal to any accumulated and unpaid dividends whether or not declared on such shares. The Board has authorized the repurchase of the Series B Preferred Shares in the open market at prices less than the \$25 liquidation values per share. During the years ended December 31, 2018 and 2017, the Fund did not repurchase any of the Series A Preferred or Series B Preferred.

The Gabelli Healthcare & Wellness^{Rx} Trust**Notes to Financial Statements (Continued)**

The following table summarizes the Preferred Share information:

<u>Series</u>	<u>Issue Date</u>	<u>Authorized</u>	<u>Number of Shares</u>	<u>Net</u>	<u>2018 Dividend</u>	<u>Dividend</u>	<u>Accrued</u>
			<u>Outstanding at</u>	<u>Proceeds</u>	<u>Rate Range</u>	<u>Rate at</u>	<u>Dividends at</u>
			<u>12/31/18</u>			<u>12/31/18</u>	<u>12/31/18</u>
A 5.760%	August 20, 2010	1,200,000	1,200,000	\$28,725,173	Fixed Rate	5.760%	\$24,000
B 5.875%	September 24, 2014	1,400,000	1,400,000	33,564,647	Fixed Rate	5.875%	28,709
B 5.875%	Various dates in 2016	81,443	81,443	2,192,721	Fixed Rate	5.875%	1,511

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

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

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

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

The Gabelli Healthcare & Wellness^{Rx} Trust

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of

The Gabelli Healthcare & WellnessRx Trust:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Healthcare & WellnessRx Trust (the Fund) as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund s management. Our responsibility is to express an opinion on the Fund s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York

February 28, 2019

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.

The Gabelli Healthcare & Wellness^{Rx} Trust**Additional Fund Information (Unaudited)**

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

Name, Position(s)	Term of Office and Length of Time Served²	Number of Funds in Fund Complex Overseen by Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee³
<u>INTERESTED TRUSTEE⁴:</u>				
Mario J. Gabelli, CFA Trustee and Chief Investment Officer Age: 76	Since 2007**	35	Chairman, Chief Executive Officer, and Chief Investment Officer Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
Jeffrey J. Jonas, CFA Trustee and Portfolio Manager Age: 37	Since 2016*	1	Portfolio Manager for Gabelli Funds, LLC, GAMCO Asset Management Inc., and Gabelli & Company Investment Advisers, Inc.	

**INDEPENDENT
TRUSTEES⁵:**

Anthony J. Colavita⁶ Trustee Age: 83	Since 2007***	20	President of the law firm of Anthony J. Colavita, P.C.	
James P. Conn⁶ Trustee Age: 80	Since 2007*	26	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998)	
Vincent D. Enright Trustee Age: 75	Since 2007**	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corp. (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics) (2008-2014); Director of The LGL Group, Inc. (diversified manufacturing) (2011-2014)
Robert Kolodny Trustee Age: 74	Since 2007***	2	Physician; Medical Director and Chairman of the Board of the Behavioural Medicine Institute; Managing Member of KBS Management LLC (investment adviser); Managing General Partner of KBS Partnership, KBS III Investment Partnership, KBSIV Limited Partnership (1990-2016), KBS New Dimensions, L.P. (1993-2015), Kolodny Family Limited Partnership (private investment partnerships); Medical Director and Chairman of the Board of the Behavioral Medicine Institute	
Kuni Nakamura⁷ Trustee Age: 50	Since 2012*	37	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	
Anthonie C. van Ekris⁷ Trustee Age: 84	Since 2007**	23	Chairman and Chief Executive Officer of BALMAC International, Inc. (global import/export company)	
Salvatore J. Zizza Trustee Age: 73	Since 2007***	32	President of Zizza & Associates Corp. (private holding company); Chairman of BAM (semiconductor and	Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor

aerospace manufacturing); President of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Diversified Inc. (pharmaceuticals) (2009-2018)
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The Gabelli Healthcare & Wellness^{Rx} Trust**Additional Fund Information (Continued) (Unaudited)**

Name, Position(s)	Term of Office	Principal Occupation(s)
<u>Address¹</u>	<u>and Length of</u>	<u>During Past Five Years</u>
<u>and Age</u>	<u>Time Served²</u>	
OFFICERS:		
Agnes Mullady President Age: 60	Since 2006	Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
John C. Ball Treasurer Age: 42	Since 2017	Treasurer of funds within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Andrea R. Mango Secretary and Vice President Age: 46	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 59	Since 2013	Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011- 2013
Bethany A. Uhlein Vice President and Ombudsman Age: 28	Since 2017	Assistant Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex since 2017; Assistant Vice President (since 2015) and Associate (2013 - 2015) for GAMCO Asset Management Inc.; Research Analyst for G. research, LLC since 2010; Operations Assistant for GAMCO Investors, Inc. (2012 - 2013)
David I. Schachter Vice President Age: 65	Since 2007	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President (since 2015) of GAMCO Investors, Inc. and Vice President (1999- 2015) of G.research, LLC
	Since 2007	

Adam E. Tokar
Vice President
Age: 38

Vice President of the Fund; Vice President and Ombudsman of The
Gabelli Global Utility and Income Trust since 2011

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

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

The three year term for each class expires as follows:

* Term expires at the Fund's 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** Term expires at the Fund's 2020 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*** Term expires at the Fund's 2021 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

For officers, includes time served in prior officer positions with the Fund. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

³ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.

⁴ Interested person of the Fund as defined in the 1940 Act. Messrs. Gabelli and Jonas are considered interested persons because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

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

⁶ This Trustee is elected solely by and represents the shareholders of the preferred shares issued by this Fund.

⁷ Mr. van Ekris is an independent director of Gabelli International Ltd., Gabelli Fund LDC, Gama Capital Opportunities Master Ltd., and GAMCO International SICAV, and Mr. Nakamura is a director of Gabelli Merger Plus+ Trust Plc, all of which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and, in that event, would be deemed to be under common control with the Fund's Adviser.

THE GABELLI HEALTHCARE & WELLNESS^{RX} TRUST**INCOME TAX INFORMATION (Unaudited)****December 31, 2018****Cash Dividends and Distributions**

Payable Date	Record Date	Ordinary Investment Income (a)	Long Term Capital Gains (a)	Return of Capital (b)	Total Amount Paid Per Share (c)	Dividend Reinvestment Price
Common Shares						
03/22/18	03/15/18	\$ 0.07141	\$ 0.05859		\$ 0.13000	\$ 9.44860
06/22/18	06/15/18	0.07141	0.05859		0.13000	10.20160
09/21/18	09/14/18	0.07141	0.05859		0.13000	11.07530
12/14/18	12/07/18	0.07141	0.05859		0.13000	9.99590
		\$ 0.28564	\$ 0.23436		\$ 0.52000	
5.760% Series A Cumulative Preferred Shares						
03/26/18	03/19/18	\$ 0.19776	\$ 0.16224		\$ 0.36000	
06/26/18	06/19/18	0.19776	0.16224		0.36000	
09/26/18	09/19/18	0.19776	0.16224		0.36000	
12/26/18	12/18/18	0.19776	0.16224		0.36000	
		\$ 0.79104	\$ 0.64896		\$ 1.44000	
5.875% Series B Cumulative Preferred Shares						
03/26/18	03/19/18	\$0.2017114	\$0.1654761		\$0.3671875	
06/26/18	06/19/18	0.2017114	0.1654761		0.3671875	
09/26/18	09/19/18	0.2017114	0.1654761		0.3671875	
12/26/18	12/18/18	0.2017114	0.1654761		0.3671875	
		\$0.8068456	\$0.6619044		\$1.4687500	

A Form 1099-DIV has been mailed to all shareholders of record which sets forth specific amounts to be included in your 2018 tax returns. Ordinary distributions include net investment income and realized net short-term capital gains. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV.

The long term gain distributions for the fiscal year ended December 31, 2018 were \$6,312,759 or the maximum amount.

Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income

In 2018, the Fund paid to common, 5.760% Series A Cumulative Preferred, and 5.875% Series B Cumulative Preferred shareholders ordinary income dividends of \$0.28564, \$0.79104, and \$0.80685 per share, respectively. For 2018, 49.64% of the ordinary dividend qualified for the dividend received deduction available to corporations, 60.59% of the ordinary income distribution was deemed qualified dividend income, and 17.02% of ordinary income distribution was qualified interest income. The Fund designates 100% of the ordinary income distribution as qualified short-term capital gain pursuant to the American Jobs Creation Act of 2004. The percentage of ordinary income dividends paid by the Fund during 2018 derived from U.S. Government securities was 1.18%. Such income is exempt from state and local taxes in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of its fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 5.4%.

THE GABELLI HEALTHCARE & WELLNESS^{RX} TRUST**INCOME TAX INFORMATION (Unaudited) (Continued)****December 31, 2018****Historical Distribution Summary**

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Return of Capital (b)	Total Distributions (c)	Adjustment to Cost Basis (d)
Common Shares						
2018	\$ 0.05004	\$ 0.23560	\$ 0.23436		\$ 0.52000	
2017	0.00114	0.02873	0.48277	\$0.00736	0.52000	\$0.00736
2016		0.04890	0.47110		0.52000	
2015		0.10070	0.40930		0.51000	
2014(e)		0.11520	0.50480		0.62000	
2013(f)	0.00890	0.22580	0.67530		0.91000	
2012	0.04784	0.27724	0.76208	0.02284	1.11000	0.02284
2011(g)						
2010						
2009						
5.760% Series A Cumulative Preferred Shares						
2018	\$ 0.13856	\$ 0.65248	\$ 0.64896		\$ 1.44000	
2017	0.00322	0.08075	1.35603		1.44000	
2016		0.13560	1.30440		1.44000	
2015		0.28380	1.15620		1.44000	
2014		0.27160	1.16840		1.44000	
2013	0.01400	0.35720	1.06880		1.44000	
2012	0.06060	0.35160	1.02780		1.44000	
2011			1.44000		1.44000	
2010		0.50800			0.50800	
5.875% Series B Cumulative Preferred Shares						
2018	\$0.1413432	\$0.6655024	\$0.6619044		\$1.4687500	
2017	0.00327	0.08237	1.38311		1.46875	
2016		0.13821	1.33054		1.46875	
2015		0.28937	1.17938		1.46875	
2014		0.07337	0.30198		0.37535	

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

(b) Non-taxable.

(c) Total amounts may differ due to rounding.

(d) Decrease in cost basis.

(e) On May 22, 2014, the Fund also distributed Rights equivalent to \$0.77 per common share based upon full subscription of all issued shares.

(f) On May 28, 2013, the Fund also distributed Rights equivalent to \$0.75 per common share based upon full subscription of all issued shares.

(g) On February 28, 2011, the Fund also distributed Rights equivalent to \$0.72 per common share based upon full subscription of all issued shares.

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

**AUTOMATIC DIVIDEND REINVESTMENT
AND VOLUNTARY CASH PURCHASE PLANS**

Enrollment in the Plan

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

The Gabelli Healthcare & Wellness^{Rx} Trust

c/o Computershare

P.O. Box 505000

Louisville, KY 40233

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

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

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

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes

as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

Voluntary Cash Purchase Plan

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

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 505000, Louisville, KY 40233 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

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

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

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

THE GABELLI HEALTHCARE & WELLNESS^{Rx} TRUST

AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Healthcare & Wellness^{Rx} Trust is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, that is affiliated with GAMCO Investors, Inc., a publicly held company that has subsidiaries that provide investment advisory services for a variety of clients.

What kind of non-public information do we collect about you if you become a Fund shareholder?

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

Information you give us on your application form. This could include your name, address, telephone number, social security number, bank account number, and other information.

Information about your transactions with us. This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services like a transfer agent we will also have information about the transactions that you conduct through them.

What information do we disclose and to whom do we disclose it?

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, www.sec.gov.

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.

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THE GABELLI HEALTHCARE & WELLNESS^{Rx} 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.

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

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

The NASDAQ symbol for the Net Asset Value 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^{RX} TRUST

One Corporate Center

Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com

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,

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

Financial Security Assurance

Holdings Ltd.

David I. Schachter

Vice President

Vincent D. Enright

Former Senior Vice President &

Adam E. Tokar

Chief Financial Officer,

Vice President

KeySpan Corp.

INVESTMENT ADVISER

Jeffrey J. Jonas, CFA

Portfolio Manager,

Gabelli Funds, LLC

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

Robert C. Kolodny

Physician,

CUSTODIAN

Principal of KBS

Management LLC

The Bank of New York Mellon

Kuni Nakamura

COUNSEL

President,

Advanced Polymer, Inc.

Willkie Farr & Gallagher LLP

Anthonie C. van Ekris

TRANSFER AGENT AND REGISTRAR

Chairman,

BALMAC International, Inc.

Computershare Trust Company, N.A.

Salvatore J. Zizza

Chairman,

Zizza & Associates Corp.

GRX Q4/2018

Item 2. Code of Ethics.

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.

- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description.

- (d) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

Item 3. Audit Committee Financial Expert.

As of the end of the period covered by the report, the registrant's Board of Trustees has determined that Vincent D. Enright is qualified to serve as an audit committee financial expert serving on its audit committee and that he is independent, as defined by Item 3 of Form N-CSR.

Item 4. Principal Accountant Fees and Services.

Audit Fees

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$32,623 for 2017 and \$32,623 for 2018.

Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item are \$0 for 2017 and \$0 for 2018.

Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$3,680 for 2017 and \$3,680 for 2018. Tax fees represent tax compliance services provided in connection with the review of the Registrant's tax returns.

All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$11,500 for 2017 and \$0 for 2018. All other fees represent services provided in review of registration statements and preferred share offerings.
- (e)(1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X.

Pre-Approval Policies and Procedures. The Audit Committee (Committee) of the registrant is responsible for pre-approving (i) all audit and permissible non-audit services to be provided by the independent registered public accounting firm to the registrant and (ii) all permissible non-audit services to be provided by the independent registered public accounting firm to the Adviser, Gabelli Funds, LLC, and any affiliate of Gabelli Funds, LLC (Gabelli) that provides services to the registrant (a Covered Services Provider) if the independent registered public accounting firm's engagement related directly to the operations and financial reporting of the registrant. The Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairperson of the Committee, and the Chairperson must report to the Committee, at its next regularly scheduled meeting after the Chairperson's pre-approval of such services, his or her decision(s). The Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Committee's pre-approval responsibilities to the other persons (other than Gabelli or the registrant's officers). Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the permissible non-audit services were not recognized by the registrant at the time of the engagement to be non-audit services; and (ii) such services are promptly brought to the attention of the Committee and approved by the Committee or Chairperson prior to the completion of the audit.

- (e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:

(b) N/A

(c) 0

(d) N/A

- (f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was zero percent.

- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant was \$0 for 2017 and \$0 for 2018.

- (h) The registrant's audit committee of the board of directors **has** considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Item 5. Audit Committee of Listed Registrants.

The registrant has a separately designated audit committee consisting of the following members: Vincent D. Enright, Kuni Nakamura, and Salvatore J. Zizza.

Item 6. Investments.

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.
- (b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The Proxy Voting Policies are attached herewith.

POLICY REGARDING VOTING OF PROXIES ON BEHALF OF CLIENTS

Purpose and Scope

The purpose of this policy and its related procedures regarding voting proxies for securities held in Client accounts and for which an Adviser has been delegated proxy voting authority (Client Proxies) is to establish guidelines regarding Client Proxies that are reasonably designed to conform with the requirements of applicable law (this Policy).

General Policy

Rule 206(4)-6 of the Advisers Act requires a registered investment adviser that exercises proxy voting authority over client securities to: (i) adopt and implement written policies and procedures that are reasonably designed to ensure that the investment adviser votes proxies related to client securities in the best interest of its Clients; (ii) ensure that the written policies and procedures address material conflicts that may arise between the interests of the investment adviser and those of its Clients; (iii) describe its proxy voting procedures to Clients, and provide copies of such procedures upon request by such Clients; and (iv) disclose to Clients how they may obtain information from the Adviser about how the Adviser voted with respect to their Securities. Each Adviser is committed to implementing policies and procedures that conform with the requirements of the Advisers Act. To that end, it has implemented this Policy to facilitate the Adviser's compliance with Rule 206(4)-6 and to ensure that proxies related to Client Securities are voted (or not voted) in a manner consistent with the best interest of its Clients.

The Voting of Proxies on Behalf of Clients

These following procedures will be used by each of the Advisers to determine how to vote proxies relating to portfolio Securities held by their Clients, including the procedures that the Advisers use when a vote presents a conflict between the interests of the investors in a Private Fund Client, RIC or Managed Account Client, on the one hand, and those of the Adviser; the principal underwriter; or any affiliated person of such Client, the Advisers, or the principal underwriter. These procedures will not apply where the Advisers do not have voting discretion or where the Advisers have agreed with a Client to vote the Client's proxies in accordance with specific guidelines or procedures supplied by the Client (to the extent permitted by ERISA)¹.

Proxy Voting Committee

The Advisers' Proxy Voting Committee (the Proxy Committee) was originally formed in April 1989 for the purpose of formulating guidelines and reviewing proxy statements within the parameters of the Proxy Voting Guidelines, which are appended as **EXHIBIT A** to this Policy. The Proxy Committee includes representatives from Research, Administration, Legal, and the Advisers. Additional or

¹ With respect to any Private Fund Client or RIC Client, such deviation from these guidelines will be disclosed in the offering materials for such Client.

replacement members of the Proxy Committee will be nominated by the Chairman and voted upon by the entire Proxy Committee.

Meetings are held on an as needed basis to form views on the manner in which the Advisers should vote proxies on behalf of their Clients.

In general, the Director of Proxy Voting Services, using the Proxy Voting Guidelines, recommendations of Institutional Shareholder Services Inc. (ISS), Glass Lewis & Co., LLC (Glass Lewis), other third-party services and the analysts of G.research, will determine how to vote on each issue. For non-controversial matters, the Director of Proxy Voting Services may vote the proxy if the vote is: (1) consistent with the recommendations of the issuer's Board of Directors and not contrary to the Proxy Voting Guidelines; (2) consistent with the recommendations of the issuer's Board of Directors and is a non-controversial issue not covered by the Proxy Voting Guidelines; or (3) the vote is contrary to the recommendations of the Board of Directors but is consistent with the Proxy Voting Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Proxy Committee may sign and date the proxy statement indicating how each issue will be voted.

All matters identified by the Chairman of the Proxy Committee, the Director of Proxy Voting Services or the General Counsel as controversial, taking into account the recommendations of ISS, Glass Lewis, other third party services and the analysts of G.research, will be presented to the Proxy Voting Committee. If the Chairman of the Proxy Committee, the Director of Proxy Voting Services or the General Counsel has identified the matter as one that (1) is controversial; (2) would benefit from deliberation by the Proxy Committee; or (3) may give rise to a conflict of interest between the Advisers and investors in the Clients or the Clients, the Chairman of the Proxy Committee will initially determine what vote to recommend that the relevant Adviser should cast and that determination will go before the Proxy Committee for review.

Conflicts of Interest

The Advisers have implemented this Policy in order to prevent conflicts of interest from influencing their proxy voting decisions. By following the Proxy Voting Guidelines, as well as the recommendations of ISS, Glass Lewis, other third-party services and the analysts of G.research, the Advisers seek to avoid, wherever possible, the influence of potential conflicts of interest. Nevertheless, circumstances may arise in which one or more of the Advisers are faced with a conflict of interest or the appearance of a conflict of interest in connection with a proxy vote. In general, a conflict of interest may arise when an Adviser knowingly does business with an issuer, and may appear to have a material conflict between its own interests and the interests of the investors in a Client regarding how the proxy is to be voted. A conflict also may exist when an Adviser has actual knowledge of a material business arrangement between an issuer and an affiliate of the Adviser.

In practical terms, a conflict of interest may arise, for example, when a proxy is voted for a company that is a Client of one of the Adviser. A conflict also may arise when a Client of one of the Advisers has made a shareholder proposal in a proxy to be voted upon by one or more of the Advisers. The Director of Proxy Voting Services, together with the General Counsel, will scrutinize all proxies for these or other situations that may give rise to a conflict of interest with respect to the voting of proxies.

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Operation of the Proxy Committee

For matters submitted to the Proxy Committee, each member of the Proxy Committee will receive, prior to the meeting, a copy of the proxy statement, any relevant third party research, a summary of any views provided by the portfolio manager of the applicable Client and any recommendations by G.research analysts. The portfolio manager, any member of Senior Management or the G.research analysts may be invited to present their viewpoints to the Proxy Committee. If the Director of Proxy Voting Services or the General Counsel believes that the matter before the Proxy Committee is one with respect to which a conflict of interest may exist between the Advisers and their Clients or investors, the General Counsel may provide an opinion to the Proxy Committee concerning the conflict. If the matter is one in which the interests of the Clients or investors, on the one hand, or the applicable Adviser, on the other, may diverge, The General Counsel may so advise and the Proxy Committee may make different recommendations as to different Clients. For any matters where the recommendation may trigger appraisal rights, The General Counsel may provide an opinion concerning the likely risks and merits of such an appraisal action.

Each matter submitted to the Proxy Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Proxy Committee, the Chairman of the Proxy Committee will cast the deciding vote. The Proxy Committee will notify the proxy department of its decisions and the proxies will be voted accordingly.

Although the Proxy Voting Guidelines express the normal preferences for the voting of any interests not covered by a contrary investment guideline provided by the Client, the Proxy Committee is not bound by the preferences set forth in the Proxy Voting Guidelines and will review each matter on its own merits. The Advisers subscribe to ISS and Glass Lewis, which supplies current information on companies, matters being voted on, regulations, trends in proxy voting and information on corporate governance issues.

If the vote cast either by the analyst or as a result of the deliberations of the Proxy Committee runs contrary to the recommendation of the Board of Directors of the issuer, the matter may be referred to the General Counsel to determine whether an amendment to the most recently filed Schedule 13D is appropriate.

Social Issues and Other Client Guidelines

If a Client has provided and the Advisers have accepted special instructions relating to the voting of proxies, they should be noted in the Client's account file and forwarded to the Proxy Voting Department. This is the responsibility of the investment professional or sales assistant for the Client. In accordance with Department of Labor guidelines, each Adviser shall vote on behalf of ERISA accounts in the best interest of the plan participants with regard to social issues that carry an economic impact. Where an account is not governed by ERISA, the Advisers will vote shares held on behalf of the Client in a manner consistent with any individual investment/voting guidelines provided by the Client. Otherwise the Advisers may abstain with respect to those shares.

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Specific to the Gabelli ESG Fund, the Proxy Voting Committee will rely on the advice of the portfolio managers of the Gabelli ESG Fund to provide voting recommendations on the securities held in the portfolio.

Client Retention of Voting Rights

If a Client chooses to retain the right to vote proxies or if there is any change in voting authority, the following should be notified by the investment professional or sales assistant for the Client.

- Operations
- Proxy Department
- Investment professional assigned to the account
- Chief Compliance Officer

In the event that the Board of Directors (or a Committee thereof) of one or more of the Clients managed by one of the Advisers has retained direct voting control over any security, the Proxy Voting Department will provide each Board Member (or Committee member) of the Client with a copy of the proxy statement together with any other relevant information including recommendations of ISS or other third-party services.

Proxies of Certain Non-U.S. Issuers

Proxy voting in certain countries requires share-blocking. Shareholders wishing to vote their proxies must deposit their shares shortly before the date of the meeting with a designated depository. During the period in which the shares are held with a depository, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the Clients' custodian. Absent a compelling reason to the contrary, the Advisers believe that the benefit to the Client of exercising the vote is outweighed by the cost of voting and therefore, the Advisers will not typically vote the securities of non-U.S. issuers that require share-blocking.

In addition, voting proxies of issuers in non-US markets may also give rise to a number of administrative issues to prevent the Advisers from voting such proxies. For example, the Advisers may receive the notices for shareholder meetings without adequate time to consider the proposals in the proxy or after the cut-off date for voting. In these cases, the Advisers will look to Glass Lewis or other third party service for recommendations on how to vote. Other markets require the Advisers to provide local agents with power of attorney prior to implementing their respective voting instructions on the proxy. Although it is the Advisers' policies to vote the proxies for its clients for which they have proxy voting authority, in the case of issuers in non-US markets, we vote client proxies on a best efforts basis.

Voting Records and Client Disclosure

The Proxy Voting Department will retain a record of matters voted upon by the Advisers for their Clients. The Advisers will supply information on how they voted a Client's proxy upon request from the Client or an investor in a Client.

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Registered Investment Companies and Form N-PX

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

Form ADV Disclosure

Each Adviser to a RIC or Private Fund Client will disclose in Part 2A of its Form ADV that such Clients may contact the Chief Compliance Officer during regular business hours, via email or telephone, to obtain information on how each Adviser voted such Client's proxies for the past 5 years. The summary of this Policy included in each Adviser's Part 2A of its Form ADV will be updated whenever this Policy is revised. Clients may also receive a copy of this Policy upon their request.

Note that updating the Form ADV with a change to this Policy outside of the annual update is voluntary. However, each Adviser will need to communicate to the Client any changes to this Policy affecting its fiduciary duty.

The Advisers' proxy voting records will be retained in accordance with the **Policy Regarding Recordkeeping**.

Voting Procedures

1. Custodian banks, outside brokerage firms and clearing firms are responsible for forwarding proxies directly to the Advisers.

Proxies are received in one of two forms:

* Shareholder Vote Instruction Forms (VIFs) - Issued by Broadridge Financial Solutions, Inc. (Broadridge). Broadridge is an outside service contracted by the various institutions to issue proxy materials.

* Proxy cards which may be voted directly.

2. Upon receipt of the proxy, the number of shares each form represents is logged into the proxy system, electronically or manually, according to security.

3. Upon receipt of instructions from the proxy committee, the votes are cast and recorded for each account.

Records have been maintained on the ProxyEdge system.

ProxyEdge records include:

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Security Name and CUSIP Number

Date and Type of Meeting (Annual, Special, Contest)

Client Name

Adviser or Fund Account Number

Directors Recommendation

How the Adviser voted for the client on item

4. VIFs are kept alphabetically by security. Records for the current proxy season are located in the Proxy Voting Department office. In preparation for the upcoming season, files are transferred to an offsite storage facility during January/February.

5. If a proxy card or VIF is received too late to be voted in the conventional matter, every attempt is made to vote including:

When a solicitor has been retained, the solicitor is called. At the solicitor's direction, the proxy is faxed or sent electronically.

In some circumstances VIFs can be faxed or sent electronically to Broadridge up until the time of the meeting.

6. In the case of a proxy contest, records are maintained for each opposing entity.

7. Voting in Person

a) At times it may be necessary to vote the shares in person. In this case, a legal proxy is obtained in the following manner:

* Banks and brokerage firms using the services at Broadridge:

Broadridge is notified that we wish to vote in person. Broadridge issues individual legal proxies and sends them back via email or overnight (or the Adviser can pay messenger charges). A lead-time of at least two weeks prior to the meeting is needed to do this. Alternatively, the procedures detailed below for banks not using Broadridge may be implemented.

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* Banks and brokerage firms issuing proxies directly:

The bank is called and/or faxed and a legal proxy is requested.

All legal proxies should appoint:

Representative of [Adviser name] with full power of substitution.

b) The legal proxies are given to the person attending the meeting along with the limited power of attorney.

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EXHIBIT A

PROXY VOTING GUIDELINES

General Policy Statement

It is the policy of the Advisers to vote in the best economic interests of our Clients. As we state in our Magna Carta of Shareholders Rights, established in May 1988, we are neither *for* nor *against* management. We are for shareholders.

At our first Proxy Committee meeting in 1989, it was decided that each proxy statement should be evaluated on its own merits within the framework first established by our Magna Carta of Shareholders Rights. The attached guidelines serve to enhance that broad framework.

We do not consider any issue routine. We take into consideration all of our research on the company, its directors, and their short and long-term goals for the company. In cases where issues that we generally do not approve of are combined with other issues, the negative aspects of the issues will be factored into the evaluation of the overall proposals but will not necessitate a vote in opposition to the overall proposals.

Board of Directors

We do not consider the election of the Board of Directors a routine issue. Each slate of directors is evaluated on a case-by-case basis.

Factors taken into consideration include:

* Historical responsiveness to shareholders

This may include such areas as:

-Paying greenmail

-Failure to adopt shareholder resolutions receiving a majority of votes

* Qualifications

* Nominating committee in place

* Number of outside directors on the board

* Attendance at meetings

* Overall performance

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Selection of Auditors

In general, we support the Board of Directors' recommendation for auditors.

Blank Check Preferred Stock

We oppose the issuance of blank check preferred stock.

Blank check preferred stock allows the company to issue stock and establish dividends, voting rights, etc. without further shareholder approval.

Classified Board

A classified board is one where the directors are divided into classes with overlapping terms. A different class is elected at each annual meeting.

While a classified board promotes continuity of directors facilitating long range planning, we feel directors should be accountable to shareholders on an annual basis. We will look at this proposal on a case-by-case basis taking into consideration the board's historical responsiveness to the rights of shareholders.

Where a classified board is in place we will generally not support attempts to change to an annually elected board.

When an annually elected board is in place, we generally will not support attempts to classify the board.

Increase Authorized Common Stock

The request to increase the amount of outstanding shares is considered on a case-by-case basis.

Factors taken into consideration include:

- * Future use of additional shares
- Stock split
- Stock option or other executive compensation plan
- Finance growth of company/strengthen balance sheet
- Aid in restructuring
- Improve credit rating
- Implement a poison pill or other takeover defense

* Amount of stock currently authorized but not yet issued or reserved for stock option plans

* Amount of additional stock to be authorized and its dilutive effect

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We will support this proposal if a detailed and verifiable plan for the use of the additional shares is contained in the proxy statement.

Confidential Ballot

We support the idea that a shareholder's identity and vote should be treated with confidentiality.

However, we look at this issue on a case-by-case basis. In order to promote confidentiality in the voting process, we endorse the use of independent Inspectors of Election.

Cumulative Voting

In general, we support cumulative voting.

Cumulative voting is a process by which a shareholder may multiply the number of directors being elected by the number of shares held on the record date and cast the total number for one candidate or allocate the voting among two or more candidates.

Where cumulative voting is in place, we will vote against any proposal to rescind this shareholder right.

Cumulative voting may result in a minority block of stock gaining representation on the board. When a proposal is made to institute cumulative voting, the proposal will be reviewed on a case-by-case basis. While we feel that each board member should represent all shareholders, cumulative voting provides minority shareholders an opportunity to have their views represented.

Director Liability and Indemnification

We support efforts to attract the best possible directors by limiting the liability and increasing the indemnification of directors, except in the case of insider dealing.

Equal Access to the Proxy

The SEC's rules provide for shareholder resolutions. However, the resolutions are limited in scope and there is a 500 word limit on proponents' written arguments. Management has no such limitations. While we support equal access to the proxy, we would look at such variables as length of time required to respond, percentage of ownership, etc.

Fair Price Provisions

Charter provisions requiring a bidder to pay all shareholders a fair price are intended to prevent two-tier tender offers that may be abusive. Typically, these provisions do not apply to board-approved transactions.

We support fair price provisions because we feel all shareholders should be entitled to receive the same benefits.

Reviewed on a case-by-case basis.

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Golden Parachutes

Golden parachutes are severance payments to top executives who are terminated or demoted after a takeover.

We support any proposal that would assure management of its own welfare so that they may continue to make decisions in the best interest of the company and shareholders even if the decision results in them losing their job. We do not, however, support excessive golden parachutes. Therefore, each proposal will be decided on a case-by-case basis.

Anti-Greenmail Proposals

We do not support greenmail. An offer extended to one shareholder should be extended to all shareholders equally across the board. *Limit Shareholders' Rights to Call Special Meetings*

We support the right of shareholders to call a special meeting.

Reviewed on a case-by-case basis.

Consideration of Nonfinancial Effects of a Merger

This proposal releases the directors from only looking at the financial effects of a merger and allows them the opportunity to consider the merger's effects on employees, the community, and consumers. As a fiduciary, we are obligated to vote in the best economic interests of our Clients. In general, this proposal does not allow us to do that. Therefore, we generally cannot support this proposal.

Reviewed on a case-by-case basis.

Mergers, Buyouts, Spin-Offs, Restructurings

Each of the above is considered on a case-by-case basis. According to the Department of Labor, we are not required to vote for a proposal simply because the offering price is at a premium to the current market price for ERISA Clients. We must take into consideration the long term interests of the shareholders.

Military Issues

Shareholder proposals regarding military production must be evaluated on a purely economic set of criteria for our ERISA Clients. As such, decisions will be made on a case-by-case basis.

In voting on this proposal for our non-ERISA clients, we will vote according to the Client's direction when applicable. Where no direction has been given, we will vote in the best economic interests of our Clients. It is not our duty to impose our social judgment on others.

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Northern Ireland

Shareholder proposals requesting the signing of the MacBride principles for the purpose of countering the discrimination of Catholics in hiring practices must be evaluated on a purely economic set of criteria for our ERISA Clients. As such, decisions will be made on a case-by-case basis.

In voting on this proposal for our non-ERISA Clients, we will vote according to Client direction when applicable. Where no direction has been given, we will vote in the best economic interests of our clients. It is not our duty to impose our social judgment on others.

Opt Out of State Anti-Takeover Law

This shareholder proposal requests that a company opt out of the coverage of the state's takeover statutes. Example: Delaware law requires that a buyer must acquire at least 85% of the company's stock before the buyer can exercise control, unless the board approves.

We consider this on a case-by-case basis. Our decision will be based on the following: