

Gabelli Healthcare & WellnessRx Trust  
Form N-CSR  
March 10, 2014

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<sup>Rx</sup> Trust  
(Exact name of registrant as specified in charter)  
One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Agnes Mullady

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: December 31, 2013

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, 100 F Street, NE, Washington, DC 20549. 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<sup>Rx</sup> Trust

## Annual Report December 31, 2013

### Portfolio Management Team

#### To Our Shareholders,

For the year ended December 31, 2013, the net asset value ( NAV ) total return of The Gabelli Healthcare & WellnessRX Trust (the Fund ) was 36.9%, compared with a total return of 41.5% for the Standard & Poor s ( S&P ) 500 Health Care Index. The total return for the Fund s publicly traded shares was 36.0%. The Fund s NAV per share was \$11.33, while the price of the publicly traded shares closed at \$10.38 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the schedule of investments and financial statements as of December 31, 2013.

#### Comparative Results

##### Average Annual Returns through December 31, 2013 (a) (Unaudited)

	1 Year	3 Year	5 Year	Since Inception (06/28/07)
<b>Gabelli Healthcare &amp; Wellness<sup>Rx</sup> Trust</b>				
<b>NAV Total Return (b)</b>	36.86%	23.13%	20.55%	11.27%
<b>Investment Total Return (c)</b>	35.99	25.52	22.82	9.27
S&P 500 Health Care Index	41.46	23.42	18.29	9.44
S&P 500 Index	32.39	16.18	17.94	5.52(d)
S&P 500 Consumer Staples Index	26.14	16.78	15.86	10.55
50% S&P 500 Health Care Index and 50% S&P 500 Consumer Staples Index (e)	33.80	20.10	17.08	10.00

- (a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. 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.
- (d) From June 30, 2007, the date closest to the Fund s inception for which data is available.
- (e) The Blended Index consists of a 50% blend of each of the S&P 500 Health Care Index and S&P 500 Consumer Staples Index.

**Summary of Portfolio Holdings**

The following table presents portfolio holdings as a percent of total investments as of December 31, 2013:

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

Food	21.6%
Pharmaceuticals	17.8%
Health Care Providers and Services	15.9%
Health Care Equipment and Supplies	14.2%
Food and Staples Retailing	8.7%
Beverages	7.9%
U.S. Government Obligations	4.1%
Household and Personal Products	3.8%
Biotechnology	2.3%
Computer Software and Services	1.6%
Consumer Services and Supplies	1.5%
Specialty Chemicals	0.4%
Hotels and Gaming	0.2%
Health Care	0.0%*
	100.0%

\* Amount represents less than 0.05%.

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

**Proxy Voting**

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

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Schedule of Investments December 31, 2013**

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
	<b>COMMON STOCKS 95.9%</b>		
	<b>Beverages 7.9%</b>		
25,000	Campbell Soup Co.	\$ 950,303	\$ 1,082,000
30,000	Danone SA	1,708,783	2,159,307
45,000	Dr Pepper Snapple Group Inc.	1,287,601	2,192,400
26,000	ITO EN Ltd.	400,457	543,405
15,000	Morinaga Milk Industry Co. Ltd.	48,287	44,440
400,000	Parmalat SpA	1,096,287	1,362,498
35,000	PepsiCo Inc.	2,326,366	2,902,900
30,000	Suntory Beverage & Food Ltd.	1,001,275	955,750
60,000	The Coca-Cola Co.	1,666,457	2,478,600
424,000	Vitasoy International Holdings Ltd.	253,570	652,871
60,000	WhiteWave Foods Co., Cl. A	1,019,796	1,376,400
		11,759,182	15,750,571
	<b>Biotechnology 2.3%</b>		
20,000	Amgen Inc.	1,768,793	2,283,200
7,500	Illumina Inc.	385,083	829,650
125,000	Lexicon Pharmaceuticals Inc.	296,349	225,000
340,800	NeoGenomics Inc.	854,021	1,233,696
		3,304,246	4,571,546
	<b>Computer Software and Services 1.6%</b>		
90,000	Computer Task Group Inc.	1,574,633	1,701,000
75,000	MedAssets Inc.	1,483,493	1,487,250
		3,058,126	3,188,250
	<b>Consumer Services and Supplies 1.5%</b>		
58,000	Hi-Tech Pharmacal Co. Inc.	2,486,345	2,516,620
15,000	Weight Watchers International Inc.	440,819	493,950
		2,927,164	3,010,570
	<b>Food 21.6%</b>		
85,000	Boulder Brands Inc.	599,189	1,348,100
7,000	Calavo Growers Inc.	163,583	211,820
80,000	ConAgra Foods Inc.	2,643,435	2,696,000
8,000	Dean Foods Co.	153,494	137,520

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67,500	Flowers Foods Inc.	657,458	1,449,225
60,000	General Mills Inc.	1,870,784	2,994,600
90,000	Hillshire Brands Co.	2,709,458	3,009,600
70,200	Inventure Foods Inc.	295,204	930,852
38,000	Kellogg Co.	1,914,212	2,320,660
34,000	Kerry Group plc, Cl. A	1,265,743	2,361,618
150,000	Kikkoman Corp.	1,768,541	2,828,791
25,000	Kraft Foods Group Inc.	882,253	1,348,000
55,000	Lifeway Foods Inc.	534,177	878,900
10,000	MEIJI Holdings Co. Ltd.	433,330	641,914
80,000	Mondelēz International Inc., Cl. A	1,792,163	2,824,000
66,000	Nestlé SA	3,208,326	4,831,344
15,000	Post Holdings Inc.	439,669	739,050
6,000	Rock Field Co. Ltd.	81,896	107,226
50,000	Snyders-Lance Inc.	992,296	1,436,000

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
16,500	The Hain Celestial Group Inc.	\$ 289,966	\$ 1,497,870
24,000	The J.M. Smucker Co.	1,307,314	2,486,880
110,000	Tingyi (Cayman Islands) Holding Corp.	176,608	317,759
60,000	Unilever plc, ADR	1,850,196	2,472,000
63,000	Yakult Honsha Co. Ltd.	1,804,014	3,176,621
		27,833,309	43,046,350

**Food and Staples Retailing 8.7%**

6,377	CST Brands Inc.	213,214	234,165
77,000	CVS Caremark Corp.	2,596,984	5,510,890
25,000	GNC Holdings Inc., Cl. A	977,011	1,461,250
30,000	Ingles Markets Inc., Cl. A	454,430	813,000
1,000	Nutraceutical International Corp.	16,338	26,780
7,000	The Fresh Market Inc.	328,124	283,500
40,000	The Kroger Co.	852,218	1,581,200
30,000	United Natural Foods Inc.	1,034,476	2,261,700
18,882	Vitamin Shoppe, Inc.	860,311	982,053
15,000	Walgreen Co.	450,450	861,600
59,000	Whole Foods Market Inc.	796,637	3,411,970
		8,580,193	17,428,108

**Health Care Equipment and Supplies 14.2%**

5,000	ARAMARK Holdings Corp.	109,575	131,100
35,000	Baxter International Inc.	2,266,758	2,434,250
10,000	Becton, Dickinson and Co.	784,787	1,104,900
50,000	Boston Scientific Corp.	338,614	601,000
28,000	Covidien plc	1,073,854	1,906,800
31,000	Cutera Inc.	294,604	315,580
10,000	Exactech Inc.	177,030	237,600
35,000	Gerresheimer AG	1,612,273	2,447,448
44,208	Greatbatch Inc.	1,196,314	1,955,762
9,400	Henry Schein Inc.	418,608	1,074,044
15,000	Hospira Inc.	485,736	619,200
20,000	ICU Medical Inc.	831,603	1,274,200
14,000	Life Technologies Corp.	1,031,126	1,061,200
15,000	Masimo Corp.	302,929	438,450
35,000	Medtronic Inc.	1,538,576	2,008,650
19,090	Perrigo Co. plc	2,969,449	2,929,551
3,617	Sparton Corp.	87,754	101,095
42,500	St. Jude Medical Inc.	2,183,169	2,632,875
25,000	Stryker Corp.	1,379,039	1,878,500

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25,000	The Cooper Companies Inc.	2,422,189	3,096,000
		21,503,987	28,248,205
<b>Health Care Providers and Services 15.9%</b>			
279,924	AdCare Health Systems Inc.	1,002,036	1,203,673
25,000	Aetna Inc.	1,074,473	1,714,750
80,000	Alere Inc.	2,320,170	2,896,000
35,000	AmerisourceBergen Corp.	1,144,374	2,460,850
31,701	Chemed Corp.	2,090,579	2,428,931
30,000	Cigna Corp.	1,113,675	2,624,400

See accompanying notes to financial statements.



**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Schedule of Investments (Continued) December 31, 2013**

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
<b>COMMON STOCKS (Continued)</b>			
<b>Health Care Providers and Services (Continued)</b>			
51,000	DaVita HealthCare Partners Inc.	\$ 2,831,488	\$ 3,231,870
25,000	Gentiva Health Services Inc.	246,942	310,250
55,000	HCA Holdings Inc.	1,880,262	2,624,050
10,000	Humana Inc.	697,141	1,032,200
1,000	Laboratory Corp. of America Holdings	87,640	91,370
23,000	McKesson Corp.	1,524,173	3,712,200
65,000	Quality Systems Inc.	1,249,583	1,368,900
30,000	Rhoen Klinikum AG	883,908	877,218
46,000	Tenet Healthcare Corp.	1,699,820	1,937,520
41,000	UnitedHealth Group Inc.	1,916,845	3,087,300
		21,763,109	31,601,482
<b>Hotels and Gaming 0.2%</b>			
7,921	Ryman Hospitality Properties Inc.	187,095	330,939
<b>Household and Personal Products 3.8%</b>			
18,000	Avon Products Inc.	319,144	309,960
20,000	Church & Dwight Co. Inc.	1,233,997	1,325,600
15,000	Colgate-Palmolive Co.	894,048	978,150
120,000	Coty Inc., Cl. A	1,972,705	1,830,000
20,000	Sally Beauty Holdings Inc.	538,300	604,600
12,000	The Estee Lauder Companies Inc., Cl. A	804,725	903,840
20,000	The Procter & Gamble Co.	1,540,610	1,628,200
		7,303,529	7,580,350
<b>Pharmaceuticals 17.8%</b>			
34,000	Abbott Laboratories	867,818	1,303,220
31,800	Actavis plc	4,579,200	5,342,400
56,698	Akorn Inc.	793,454	1,396,472
67,000	Algeta ASA	3,913,665	3,963,464
1,000	Allergan Inc.	70,890	111,080
139,648	BioScrip Inc.	898,081	1,033,395
42,000	Bristol-Myers Squibb Co.	1,365,258	2,232,300
65,000	Express Scripts Holding Co.	3,367,213	4,565,600
3,000	Gentium SpA, ADR	170,969	171,300
40,000	Johnson & Johnson	2,363,574	3,663,600
50,000	Merck & Co. Inc.	1,719,422	2,502,500
60,000	Mylan Inc.	946,512	2,604,000
70,000	Pfizer Inc.	1,536,615	2,144,100
6,000	Roche Holding AG, ADR	250,095	421,200
80,000	ViroPharma Inc.	3,959,572	3,988,000

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1,000	Zoetis Inc.	26,000	32,690
		26,828,338	35,475,321
<b>Specialty Chemicals 0.4%</b>			
10,000	FMC Corp.	393,194	754,600
<b>TOTAL COMMON STOCKS</b>		135,441,472	190,986,292

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
<b>RIGHTS 0.0%</b>			
<b>Health Care 0.0%</b>			
40,000	American Medical Alert Corp.	\$ 0	\$ 400
20,000	Cubist Pharmaceuticals Inc., CVR	44,450	27,000
50,000	Sanofi, CVR, expire 12/31/20	54,900	17,000
130,000	Trius Therapeutics, CVR	0	16,900
<b>TOTAL RIGHTS</b>		99,350	61,300

**Principal**

<u>Amount</u>			
<b>U.S. GOVERNMENT OBLIGATIONS 4.1%</b>			
\$ 8,126,000	U.S. Treasury Bills, 0.035% to 0.130% , 01/02/14 to 05/22/14	8,124,397	8,124,952
<b>TOTAL INVESTMENTS 100.0%</b>		\$ 143,665,219	199,172,544

**Other Assets and Liabilities (Net)**

330,420

**PREFERRED STOCK**

(1,200,000 preferred shares outstanding)

(30,000,000)

**NET ASSETS COMMON STOCK**

(14,956,614 common shares outstanding)

\$ 169,502,964

**NET ASSET VALUE PER COMMON SHARE**

(\$169,502,964 ÷ 14,956,614 shares outstanding)

\$ 11.33

Non-income producing security.  
Represents annualized yield at date of purchase.  
ADR American Depositary Receipt  
CVR Contingent Value Right

**Geographic Diversification**

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	<b>% of Market Value</b>	<b>Market Value</b>
North America	81.1%	\$ 161,570,168
Europe	14.2	28,333,597
Japan	4.2	8,298,148
Asia/Pacific	0.5	970,631
Total Investments	100.0%	\$ 199,172,544

See accompanying notes to financial statements.

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

### Statement of Assets and Liabilities

December 31, 2013

#### Assets:

Investments, at value (cost \$143,665,219)	\$199,172,544
Receivable for investments sold	840,247
Dividends receivable	240,557
Deferred offering expense	51,490
Prepaid expenses	3,694

<b>Total Assets</b>	<b>200,308,532</b>
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#### Liabilities:

Payable to custodian	1,266
Distributions payable	28,800
Payable for investments purchased	462,156
Payable for investment advisory fees	169,546
Payable for payroll expenses	50,534
Payable for accounting fees	3,750
Payable for shareholder communications expenses	46,662
Payable for legal and audit fees	39,068
Other accrued expenses	3,786

<b>Total Liabilities</b>	<b>805,568</b>
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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
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<b>Net Assets Attributable to Common Shareholders</b>	<b>\$169,502,964</b>
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#### Net Assets Attributable to Common Shareholders Consist of:

Paid-in capital	\$114,345,117
Accumulated net realized loss on investments and foreign currency transactions	(350,418)
Net unrealized appreciation on investments	55,507,325
Net unrealized appreciation on foreign currency translations	940

<b>Net Assets</b>	<b>\$169,502,964</b>
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#### Net Asset Value per Common Share:

(\$169,502,964 ÷ 14,956,614 shares outstanding at \$0.001 par value; unlimited number of shares authorized)	\$11.33
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### Statement of Operations

For the Year Ended December 31, 2013

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<b>Investment Income:</b>	
Dividends (net of foreign withholding taxes of \$17,307)	\$ 2,454,537
Interest	6,522
<b>Total Investment Income</b>	<b>2,461,059</b>
<b>Expenses:</b>	
Investment advisory fees	1,723,489
Payroll expenses	153,287
Shareholder communications expenses	105,741
Shelf registration expense	92,439
Shareholder services fees	88,116
Legal and audit fees	83,550
Trustees fees	62,500
Accounting fees	45,000
Custodian fees	14,259
Miscellaneous expenses	61,925
<b>Total Expenses</b>	<b>2,430,306</b>
<b>Net Investment Income</b>	<b>30,753</b>
<b>Net Realized and Unrealized Gain on Investments and Foreign Currency:</b>	
Net realized gain on investments	14,562,407
Net realized gain on foreign currency transactions	22,729
<b>Net realized gain on investments and foreign currency transactions</b>	<b>14,585,136</b>
Net change in unrealized appreciation/depreciation:	
on investments	29,017,022
on foreign currency translations	570
<b>Net change in unrealized appreciation/depreciation on investments and foreign currency translations</b>	<b>29,017,592</b>
<b>Net Realized and Unrealized Gain on Investments and Foreign Currency</b>	<b>43,602,728</b>
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>43,633,481</b>
Total Distributions to Preferred Shareholders	(1,728,000)
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>\$ 41,905,481</b>

See accompanying notes to financial statements.

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Statement of Changes in Net Assets Attributable To Common Shareholders**

	<b>For the Year Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>Operations:</b>		
Net investment income	\$ 30,753	\$ 612,478
Net realized gain on investments and foreign currency transactions	14,585,136	13,446,427
Net change in unrealized appreciation/depreciation on investments and foreign currency translations	29,017,592	11,831,458
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>43,633,481</b>	<b>25,890,363</b>
<b>Distributions to Preferred Shareholders:</b>		
Net investment income	(16,800)	(76,394)
Net realized short term gain	(428,640)	(438,615)
Net realized long term gain	(1,282,560)	(1,217,791)
<b>Total Distributions to Preferred Shareholders</b>	<b>(1,728,000)</b>	<b>(1,732,800)</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>41,905,481</b>	<b>24,157,563</b>
<b>Distributions to Common Shareholders:</b>		
Net investment Income	(125,800)	(538,741)
Net realized short term gain	(3,191,643)	(3,093,187)
Net realized long term gain	(9,545,246)	(8,588,060)
Return of capital		(231,393)
<b>Total Distributions to Common Shareholders</b>	<b>(12,862,689)</b>	<b>(12,451,381)</b>
<b>Fund Share Transactions:</b>		
Net increase in net assets from common shares issued in rights offering	33,652,386	
Offering costs for common shares charged to paid-in capital	(372,984)	(3,063)
Net decrease from repurchase of common shares		(98,464)
<b>Net Increase/(Decrease) in Net Assets from Fund Share Transactions</b>	<b>33,279,402</b>	<b>(101,527)</b>
<b>Net Increase in Net Assets Attributable to Common Shareholders</b>	<b>62,322,194</b>	<b>11,604,655</b>
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year	107,180,770	95,576,115
End of year (including undistributed net investment income of \$0 and \$0, respectively)	\$ 169,502,964	\$ 107,180,770

See accompanying notes to financial statements.

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

### Financial Highlights

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

	Year Ended December 31,				
	2013	2012	2011	2010	2009
<b>Operating Performance:</b>					
Net asset value, beginning of year	\$ 9.55	\$ 8.51	\$ 8.47	\$ 7.76	\$ 6.21
Net investment income/(loss)	0.04	0.05	0.01	(0.05)	(0.05)
Net realized and unrealized gain/(loss) on investments, and foreign currency transactions	3.53	2.25	0.95	0.98	1.60
Total from investment operations	3.57	2.30	0.96	0.93	1.55
<b>Distributions to Preferred Shareholders: (a)</b>					
Net investment income	(0.01)	(0.00)(b)		(0.07)	
Net realized short term/long term gain	(0.12)	(0.15)	(0.16)		
Total distributions to preferred shareholders	(0.13)	(0.15)	(0.16)	(0.07)	
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b>					
	3.44	2.15	0.80	0.86	1.55
<b>Distributions to Common Shareholders:</b>					
Net investment income	(0.01)	(0.05)			
Net realized short term/long term gain	(0.90)	(1.04)			
Return of capital		(0.02)			
Total distributions to common shareholders	(0.91)	(1.11)			
<b>Fund Share Transactions:</b>					
Increase/(Decrease) in net asset value from common share transactions				0.01	
Decrease in net asset value from common shares issued in rights offering	(0.72)		(0.72)		
Offering costs for preferred shares charged to paid-in capital				(0.16)	
Offering costs for common shares charged to paid-in capital	(0.03)	(0.00)(b)	(0.04)		
Total Fund share transactions	(0.75)	(0.00)(b)	(0.76)	(0.15)	
<b>Net Asset Value Attributable to Common Shareholders, End of Year</b>					
	\$ 11.33	\$ 9.55	\$ 8.51	\$ 8.47	\$ 7.76
NAV total return	36.86%	25.37%	8.80%	9.15%	24.96%
Market value, end of year	\$ 10.38	\$ 8.62	\$ 7.14	\$ 7.08	\$ 6.70
Investment total return	35.99%	36.33%	6.68%	5.67%	33.73%

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See accompanying notes to financial statements.



**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Financial Highlights (Continued)**

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

	2013	2012	Year Ended December 31,		2009
			2011	2010	
<b>Ratios to Average Net Assets and Supplemental Data:</b>					
Net assets including liquidation value of preferred shares, end of year (in 000 s)	\$199,503	\$137,181	\$125,576	\$101,440	
Net assets attributable to common shares, end of year (in 000 s)	\$169,503	\$107,181	\$ 95,576	\$ 71,440	\$65,750
Ratio of net investment income/(loss) to average net assets attributable to common shares before preferred share distributions	0.02%	0.56%	(0.44)%	(0.65)%	(0.72)%
Ratio of operating expenses to average net assets attributable to common shares	1.71%	1.94%	2.22%	2.11%	2.04%
Ratio of operating expenses to average net assets including liquidation value of preferred shares	1.41%	1.52%	1.66%	1.82%	
Portfolio turnover rate	52.1%	46.6%	66.2%	45.2%	55.7%
<b>Preferred Shares:</b>					
<b>5.760% Series A Cumulative Preferred Shares</b>					
Liquidation value, end of period (in 000 s)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
Total shares outstanding (in 000 s)	1,200	1,200	1,200	1,200	
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	
Average market value (c)	\$ 26.47	\$ 27.46	\$ 26.34	\$ 25.35	
Asset coverage per share	\$ 166.25	\$ 114.32	\$ 104.65	\$ 84.53	
<b>Asset Coverage</b>	665%	457%	419%	338%	

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 upon average common shares outstanding on the record dates throughout the periods.  
(b) Amount represents less than \$0.005 per share.  
(c) Based on weekly prices.

See accompanying notes to financial statements.

## The Gabelli Healthcare & Wellness<sup>Rx</sup> 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.** The Fund's financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles ( GAAP ), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the Board ) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser ).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, 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. Debt instruments having a maturity greater than sixty days 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. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. 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.

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

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Notes to Financial Statements (Continued)**

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

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

Level 1 quoted prices in active markets for identical securities;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 significant unobservable inputs (including the Board's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2013 is as follows:

	Level 1 Quoted Prices	Valuation Inputs Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total Market Value at 12/31/13
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks(a)	\$ 190,986,292			\$190,986,292
Rights(a)	44,000		\$17,300	61,300
U.S. Government Obligations		\$8,124,952		8,124,952
<b>TOTAL INVESTMENTS IN SECURITIES ASSETS</b>	<b>\$ 191,030,292</b>	<b>\$8,124,952</b>	<b>\$17,300</b>	<b>\$199,172,544</b>

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

The Fund did not have transfers among Level 1, Level 2, and Level 3 during the year ended December 31, 2013. The Fund's policy is to recognize transfers among Levels as of the beginning of the reporting period.

**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

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income securities. The data within these feeds is 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 and preferred equities, warrants, options, rights, and 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. Among the factors to be considered to fair value a security are recent prices

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

**Notes to Financial Statements (Continued)**

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 include back testing the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

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

Accounting Standards Update (ASU) No. 2011-11 Balance Sheet Disclosures about Offsetting Assets and Liabilities. ASU 2011-11 requires a fund to disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of assets and liabilities and instruments and transactions subject to an agreement similar to a master netting arrangement. The scope of ASU 2011-11 includes derivatives and sale and repurchase agreements. The purpose of ASU 2011-11 is to facilitate comparison of financial statements prepared on the basis of GAAP and on the basis of International Financial Reporting Standards. Management is continually evaluating the implications of ASU 2011-11 and its impact on the financial statements and, at this time, has concluded that ASU 2011-11 is not applicable to the Fund because the Fund does not have investments covered under this guidance.

The Fund's derivative contracts held at December 31, 2013, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

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

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

**Notes to Financial Statements (Continued)**

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might result should the value of the currency increase. During the year ended December 31, 2013, the Fund held no investments in forward foreign exchange contracts.

**Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps.** Subject to the guidelines of the Board, the Fund may engage in commodity interest transactions (generally, transactions in futures, certain options, certain currency transactions, and certain types of swaps) only for bona fide hedging or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (CFTC). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (CEA), the Adviser has filed a notice of exemption from registration as a commodity pool operator with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund as of January 1, 2013. These trading restrictions permit the Fund to engage in commodity interest transactions that include (i) bona fide hedging transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund's assets committed to margin and options premiums and (ii) non-bona fide hedging transactions, provided that the Fund does not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund's existing futures positions or swaps positions and option or swaption premiums would exceed 5% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund's commodity interest transactions would not exceed 100% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future, the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund's performance.

**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

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

**Notes to Financial Statements (Continued)**

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.

**Restricted Securities.** The Fund may invest without limit in restricted securities. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and accordingly the Board will monitor their liquidity. The Fund held no restricted securities at December 31, 2013.

**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 the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

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

**Distributions to Shareholders.** Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences are primarily due to tax treatment of currency gains and losses, disallowed expenses, and recharacterization of distributions. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2013, reclassifications were made to decrease accumulated distributions in excess of net investment income by \$140,647 and increase accumulated

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Notes to Financial Statements (Continued)**

undistributed net realized gain on investments and foreign currency transactions by \$48,211, with an offsetting adjustment to paid-in capital.

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

The tax character of distributions paid during the years ended December 31, 2013 and December 31, 2012 was as follows:

	Year Ended		Year Ended	
	December 31, 2013		December 31, 2012	
	Common	Preferred	Common	Preferred
<b>Distributions paid from:</b>				
Ordinary income (inclusive of short term capital gains)	\$ 3,370,327	\$ 452,777	\$ 3,631,928	\$ 515,009
Net long term capital gains	9,492,362	1,275,223	8,588,060	1,217,791
Return of capital			231,393	
<b>Total distributions paid</b>	<b>\$ 12,862,689</b>	<b>\$ 1,728,000</b>	<b>\$ 12,451,381</b>	<b>\$ 1,732,800</b>

**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, 2013, the components of accumulated earnings/losses on a tax basis were as follows:

Undistributed long-term capital gains	\$ 315,185
Net unrealized appreciation on investments and foreign currency translations	54,842,662
<b>Total</b>	<b>\$ 55,157,847</b>

Under the Regulated Investment Company Modernization Act of 2010, the Fund is permitted to carry forward for an unlimited period capital losses incurred. As a result of the rule, post-enactment capital losses that are carried forward will retain their character as either short term or long term capital losses rather than being considered all short term as under previous law.

At December 31, 2013, the differences between book basis and tax basis net unrealized appreciation on investments were primarily due to deferral of losses from wash sales for tax purposes.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2013:

Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
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Investments	\$ 144,330,822	\$ 55,942,471	\$(1,100,749)	\$ 54,841,722
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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

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

**Notes to Financial Statements (Continued)**

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. For the year ended December 31, 2013, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2013, 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. Tax years ended December 31, 2010 through December 31, 2013 remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

**3. Agreements and Transactions with Affiliates.** 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, 2013, the Fund paid brokerage commissions on security trades of \$49,349 to G.research, Inc., an affiliate of the Adviser.

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, 2013, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund's NAV.

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). For the year ended December 31, 2013, the Fund accrued \$153,287 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$3,000 plus \$1,000 for each Board meeting attended. Each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended. In addition, the Audit Committee Chairman receives an annual fee of \$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 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, 2013, other than short term securities and U.S. Government obligations, aggregated \$96,339,063 and \$81,674,112, 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, 2012, the Fund repurchased

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

**Notes to Financial Statements (Continued)**

and retired 12,200 common shares on the open market at a cost of \$98,464 and an average discount of approximately 15.22% from its NAV. There were no common shares repurchased during the year ended December 31, 2013.

The Fund filed a \$120 million shelf registration statement with the SEC that went effective May 22, 2013, enabling the Fund to offer additional common and preferred shares.

On June 17, 2013, the Fund distributed one transferable right for each of the 11,217,460 common shares outstanding on that date. Three rights were required to purchase one additional common share at the subscription price of \$9.00 per share. On July 25, 2013, the Fund issued 3,739,154 common shares receiving proceeds of \$33,279,402, after the deduction of offering expenses of \$372,984. The NAV per share of the Fund was reduced by approximately \$0.75 per share as a result of the issuance of shares below NAV.

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 Series A Preferred 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 5.760% rate, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

On August 20, 2010, the Fund received net proceeds of \$28,725,173 (after underwriting discounts of \$945,000 and offering expenses of \$329,827) from the public offering of 1,200,000 shares of Series A Preferred. Commencing August 20, 2015 and at any time thereafter, the Fund, at its option, may redeem the Series A Preferred in whole or in part at the redemption price. The Board has authorized the repurchase of the Series A Preferred in the open market at prices less than the \$25 liquidation value per share. During the year ended December 31, 2013, the Fund did not repurchase any of the Series A Preferred. At December 31, 2013, 1,200,000 Series A Preferred were outstanding and accrued dividends amounted to \$28,800.

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.

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

**Notes to Financial Statements (Continued)**

**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. Other Matters.** On April 24, 2008, the Adviser entered into a settlement with the SEC to resolve an inquiry regarding prior frequent trading in shares of the GAMCO Global Growth Fund (the Global Growth Fund) by one investor who was banned from the Global Growth Fund in August 2002. Under the terms of the settlement, the Adviser, without admitting or denying the SEC's findings and allegations, paid \$16 million (which included a \$5 million civil monetary penalty). On the same day, the SEC filed a civil action in the U.S. District Court for the Southern District of New York against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer, who also is an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO complex, including the Fund, denies the allegations and is continuing in his positions with the Adviser and the funds. The settlement by the Adviser did not have, and the resolution of the action against the officer is not expected to have, a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

**9. Subsequent Events.** On January 23, 2014 the credit rating agency for the Series A Preferred changed from Standard & Poor's Ratings Services to Moody's Investors Service (Moody's). The Series A Preferred is rated A2 by Moody's.

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

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

**Report of Independent Registered Public Accounting Firm**

To the Board of Trustees and Shareholders of

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

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust (hereafter referred to as the Fund ) at December 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2013 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

New York, New York

February 24, 2014

## The Gabelli Healthcare & Wellness<sup>Rx</sup> 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 & Wellness<sup>Rx</sup> Trust at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address <sup>1</sup> and Age	Term of Office and Length of Time Served <sup>2</sup>	Number of Funds in Fund Complex Overseen by Trustee	Principal Occupation(s) During Past Five Years	Other Directorships Held by Trustee <sup>5</sup>
<b><u>INTERESTED TRUSTEE<sup>3</sup>:</u></b>				
<b>Mario J. Gabelli, CFA</b>  Trustee and  Chief Investment Officer  Age: 71	Since 2007*	27	Chairman, Chief Executive Officer, 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 in the Gabelli/GAMCO Funds Complex; Chief Executive Officer of GGCP, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group, Inc. (communications); Director of RLJ Acquisition Inc. (blank check company) (2011-2012)
<b><u>INDEPENDENT TRUSTEES<sup>6</sup>:</u></b>				
<b>Anthony J. Colavita<sup>4</sup></b>  Trustee  Age: 78	Since 2007**	36	President of the law firm of Anthony J. Colavita, P.C.	
<b>James P. Conn<sup>4</sup></b>  Trustee  Age: 75	Since 2007***	20	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (insurance holding company) (1992-1998)	Director of First Republic Bank (banking) through January 2008
<b>Vincent D. Enright</b>  Trustee  Age: 70	Since 2007*	17	Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)	Director of Echo Therapeutics, Inc. (therapeutics and diagnostics); Director of LGL Group, Inc.
<b>Robert Kolodny, MD</b>  Trustee  Age: 69	Since 2007**	2	Physician; Principle of KBS Management LLC (investment adviser) since 2006; General Partner of KBS II Investment Partnership, KBS III Investment Partnership, KBS IV Limited Partnership, KBS New Dimensions, L.P., KBS Global Opportunities, L.P. and KBS VII Limited Partnership (private investment partnerships) since 1981; Medical Director and Chairman of the Board of the Behavioral Medicine Institute since 1983	

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<p><b>Kuni Nakamura</b></p> <p>Trustee</p> <p>Age: 45</p>	<p>Since 2012***</p>	<p>13</p>	<p>President of Advanced Polymer, Inc. (chemical wholesale company)</p>	
<p><b>Anthonie C. van Ekris</b></p> <p>Trustee</p> <p>Age: 79</p>	<p>Since 2007*</p>	<p>20</p>	<p>Chairman of BALMAC International, Inc. (commodities and futures trading)</p>	
<p><b>Salvatore J. Zizza</b></p> <p>Trustee</p> <p>Age: 68</p>	<p>Since 2007**</p>	<p>30</p>	<p>Chairman (since 1978) of Zizza &amp; Associates Corp. (financial consulting); Chairman (since 2005) of Metropolitan Paper Recycling, Inc. (recycling); Chairman (since 1999) of Harbor BioSciences, Inc. (biotechnology)</p>	<p>Director and Vice Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals); Chairman of Bion Environmental Technologies (technology); Director, Chairman, and CEO of General Employment Enterprises (staffing services) (2009-2012)</p>

**The Gabelli Healthcare & Wellness<sup>Rx</sup> Trust****Additional Fund Information (Continued) (Unaudited)**

<b>Name, Position(s)</b>	<b>Term of Office</b>	<b>Principal Occupation(s)</b>
<b><u>Address<sup>1</sup></u></b>	<b><u>and Length of</u></b>	<b><u>During Past Five Years</u></b>
<b><u>and Age</u></b>	<b><u>Time Served<sup>2</sup></u></b>	
<b>OFFICERS:</b>		
<b>Agnes Mullady</b>	Since 2007	President and Chief Operating Officer of the Open-End Fund Division of Gabelli Funds, LLC since September 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds Complex
President and Treasurer		
Age: 55		
<b>Andrea R. Mango</b>	Since November	Counsel of Gabelli Funds, LLC; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company 2011-2013; Vice President and Counsel of Deutsche Bank 2006-2011
Secretary	2013	
Age: 41		
<b>Richard Walz</b>	Since November	Chief Compliance Officer of the Gabelli/GAMCO Funds Complex; Chief Compliance Officer of AEGON USA Investment Management LLC 2011-2013; Chief Compliance Officer of Cutwater
Chief Compliance	Since November	
Officer	2013	
Age: 54		
<b>Carter W. Austin</b>	Since 2007	Vice President and/or Ombudsman of other closed-end funds within the Gabelli/GAMCO Funds complex; Vice President of Gabelli Funds, LLC since 1996
Vice President		
Age: 47		
<b>Wayne C. Pinsent, CFA</b>	Since 2011	Vice President and Ombudsman of the Fund; Research Analyst for G.research, Inc. since 2010; Marketing for GAMCO Investors Inc. 2008-2010; New York University graduated 2008
Vice President and		
Ombudsman		
Age: 28		
<b>Adam E. Tokar</b>	Since 2007	Vice President of the Fund since 2011, Assistant Vice President and Ombudsman of the Fund 2007-2010; Vice President and Ombudsman of the Gabelli Utility & Income Trust since 2011
Vice President		
Age: 33		
<b>David L. Schachter</b>	Since 2007	Vice President and/or Ombudsman of other closed-end funds within the Gabelli/GAMCO Funds Complex; Vice President of G.research, Inc. since 1999
Vice President		
Age: 60		

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



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- <sup>2</sup> 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 2014 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
  - \*\* - Term expires at the Fund's 2015 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
  - \*\*\* - Term expires at the Fund's 2016 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

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.

- <sup>3</sup> Interested person of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an interested person because of his affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser.

<sup>4</sup> Represents holders of the Fund's Preferred Shares.

<sup>5</sup> 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.

<sup>6</sup> Trustees who are not interested persons are considered Independent Directors.

**THE GABELLI HEALTHCARE & WELLNESS<sup>RX</sup> TRUST****INCOME TAX INFORMATION (Unaudited)**

December 31, 2013

**Cash Dividends and Distributions**

	Payable Date	Record Date	Total Amount Paid Per Share	Ordinary Investment Income	Long-Term Capital Gains	Return of Capital (a)
<b>Common Shares</b>	03/21/13	03/14/13	\$0.10000	\$0.02579	\$0.07421	
	06/21/13	06/14/13	0.10000	0.02579	0.07421	
	09/23/13	09/16/13	0.10000	0.02579	0.07421	
	12/19/13	12/13/13	0.61000	0.15733	0.45267	
			\$0.91000	\$0.23470	\$0.67530	
<b>5.760% Series A Cumulative Preferred Shares</b>	03/26/13	03/19/13	\$0.36000	\$0.09280	\$0.26720	
	06/26/13	06/19/13	0.36000	0.09280	0.26720	
	09/26/13	09/19/13	0.36000	0.09280	0.26720	
	12/26/13	12/18/13	0.36000	0.09280	0.26720	
			\$1.44000	\$0.37120	\$1.06880	

A Form 1099-DIV has been mailed to all shareholders of record which sets forth specific amounts to be included in your 2013 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, 2013 were \$10,767,585, or the maximum amount.

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

In 2013, the Fund paid to common and 5.760% Series A Cumulative Preferred shareholders ordinary income dividends of \$0.23470 and \$0.37120 per share, respectively. For 2013, 53.13% of the ordinary dividend qualified for the dividend received deduction available to corporations, 64.11% of the ordinary income distribution was deemed qualified dividend income, and 4.95% 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 2013 derived from U.S. Government securities was 0.00%. 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 2013. The percentage of U.S. Government securities held as of December 31, 2013 was 4.08%.

**THE GABELLI HEALTHCARE & WELLNESS<sup>RX</sup> TRUST****INCOME TAX INFORMATION (Unaudited) (Continued)**

December 31, 2013

**Historical Distribution Summary**

	<b>Investment Income (b)</b>	<b>Short-Term Capital Gains (b)</b>	<b>Long-Term Capital Gains</b>	<b>Return of Capital (a)</b>	<b>Total Distributions</b>	<b>Adjustment to Cost Basis (c)</b>
<b>Common Shares</b>						
2013	\$0.00890	\$0.22580	\$0.67530		\$0.91000	
2012	0.04784	0.27724	0.76208	\$0.02284	1.11000	\$0.02284
2011						
2010						
2009						
2008	0.01140	0.03860			0.05000	
2007	0.01150	0.03850			0.05000	
<b>5.760% Series A Cumulative Preferred Shares</b>						
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	

(a) Non-taxable.

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

(c) Decrease in cost basis.

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.

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

**One Corporate Center**

**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Mario J. Gabelli, CFA**, is Chairman and Chief Executive Officer of GAMCO Investors, Inc. that he founded in 1977 and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management 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.

**Jeffrey J. Jonas, CFA**, joined Gabelli in 2003 as a research analyst. He focuses on companies in the cardiovascular, healthcare services, and pharmacy benefits management sectors, among others. He also serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

**Kevin V. Dreyer** joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

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

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

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

The NASDAQ symbol for the Net Asset Value is XXGRX.

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

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THE GABELLI HEALTHCARE & WELLNESS<sup>RX</sup> TRUST

One Corporate Center

Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

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e info@gabelli.com

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

TRUSTEES

Mario J. Gabelli, CFA

Chairman &

Chief Executive Officer,

GAMCO Investors, Inc.

Anthony J. Colavita

President,

Anthony J. Colavita, P.C.

James P. Conn

Former Managing Director &

Chief Investment Officer,

Financial Security Assurance

Holdings Ltd.

Vincent D. Enright

OFFICERS

Agnes Mullady

President & Treasurer

Andrea R. Mango

Secretary

Richard J. Walz

Chief Compliance Officer

Carter W. Austin

Vice President

Wayne C. Pinsent, CFA

Vice President & Ombudsman

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

David I. Schachter  
Vice President

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

Adam E. Tokar  
Vice President

### INVESTMENT ADVISER

Kuni Nakamura  
President,  
Advanced Polymer, Inc.

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

### CUSTODIAN

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

The Bank of New York Mellon

### COUNSEL

Salvatore J. Zizza  
Chairman,  
Zizza & Associates Corp.

Willkie Farr & Gallagher LLP

### TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.

GRX Q4/2013

**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 \$24,927 for 2012 and \$30,000 for 2013.

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 2012 and \$7,500 for 2013.



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 \$3,250 for 2012 and \$3,380 for 2013. 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 \$0 for 2012 and \$0 for 2013.

- (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) 100%

(c) 100%

(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 0%.

- (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 2012 and \$0 for 2013.
- (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: Anthony J. Colavita, Vincent D. Enright, 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.

### **The Voting of Proxies on Behalf of Clients**

Rules 204(4)-2 and 204-2 under the Investment Advisers Act of 1940 and Rule 30b1-4 under the Investment Company Act of 1940 require investment advisers to adopt written policies and procedures governing the voting of proxies on behalf of their clients.

These procedures will be used by GAMCO Asset Management Inc., Gabelli Funds, LLC, Gabelli Securities, Inc., and Teton Advisors, Inc. (collectively, 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 shareholders of an investment company managed by one of the Advisers, on the one hand, and those of the Advisers; the principal underwriter; or any affiliated person of the investment company, 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 to 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).

#### **I. Proxy Voting Committee**

The Proxy Voting Committee was originally formed in April 1989 for the purpose of formulating guidelines and reviewing proxy statements within the parameters set by the substantive proxy voting guidelines originally published in 1988 and updated periodically, a copy of which are appended as Exhibit A. The Committee will include representatives of Research, Administration, Legal, and the Advisers. Additional or replacement members of the Committee will be nominated by the Chairman and voted upon by the entire Committee.

Meetings are held 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 Guidelines, recommendations of Institutional Shareholder Corporate Governance Service ( ISS ), other third-party services and the analysts of Gabelli & Company, Inc., 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 Guidelines; (2) consistent with the recommendations of the issuer's Board of Directors and is a non-controversial issue not covered by the Proxy Guidelines; or (3) the vote is contrary to the recommendations of the Board of Directors but is consistent with the Proxy Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Committee may sign and date the proxy statement indicating how each issue will be voted.

All matters identified by the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department as controversial, taking into account the

recommendations of ISS or other third party services and the analysts of Gabelli & Company, Inc., will be presented to the Proxy Voting Committee. If the Chairman of the Committee, the Director of Proxy Voting Services or the Legal Department has identified the matter as one that (1) is controversial; (2) would benefit from deliberation by the Proxy Voting Committee; or (3) may give rise to a conflict of interest between the Advisers and their clients, the Chairman of the Committee will initially determine what vote to recommend that the Advisers should cast and the matter will go before the Committee.

**A. Conflicts of Interest.**

The Advisers have implemented these proxy voting procedures in order to prevent conflicts of interest from influencing their proxy voting decisions. By following the Proxy Guidelines, as well as the recommendations of ISS, other third-party services and the analysts of Gabelli & Company, the Advisers are able 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 its 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 shareholders of an investment company managed by one of the Advisers 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 Advisers, such as GAMCO Asset Management Inc. 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 Legal Department, 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.

**B. Operation of Proxy Voting Committee**

For matters submitted to the Committee, each member of the 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 Chief Investment Officer and any recommendations by Gabelli & Company, Inc. analysts. The Chief Investment Officer or the Gabelli & Company, Inc. analysts may be invited to present their viewpoints. If the Director of Proxy Voting Services or the Legal Department believe that the matter before the committee is one with respect to which a conflict of interest may exist between the Advisers and their clients, counsel will

provide an opinion to the Committee concerning the conflict. If the matter is one in which the interests of the clients of one or more of Advisers may diverge, counsel will so advise and the Committee may make different recommendations as to different clients. For any matters where the recommendation may trigger appraisal rights, counsel will provide an opinion concerning the likely risks and merits of such an appraisal action.

Each matter submitted to the 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 Committee, the Chairman of the Committee will cast the deciding vote. The Committee will notify the proxy department of its decisions and the proxies will be voted accordingly.

Although the Proxy Guidelines express the normal preferences for the voting of any shares not covered by a contrary investment guideline provided by the client, the Committee is not bound by the preferences set forth in the Proxy Guidelines and will review each matter on its own merits. Written minutes of all Proxy Voting Committee meetings will be maintained. The Advisers subscribe to ISS, 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 Voting Committee runs contrary to the recommendation of the Board of Directors of the issuer, the matter will be referred to legal counsel to determine whether an amendment to the most recently filed Schedule 13D is appropriate.

## **II. Social Issues and Other Client Guidelines**

If a client has provided special instructions relating to the voting of proxies, they should be noted in the client's account file and forwarded to the proxy department. This is the responsibility of the investment professional or sales assistant for the client. In accordance with Department of Labor guidelines, the Advisers' policy is to 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 will abstain with respect to those shares.

## **III. 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

-Legal Department

-Proxy Department

-Investment professional assigned to the account

In the event that the Board of Directors (or a Committee thereof) of one or more of the investment companies 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) with a copy of the proxy statement together with any other relevant information including recommendations of ISS or other third-party services.

#### **IV. Voting Records**

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 an account voted its proxies upon request.

A letter is sent to the custodians for all clients for which the Advisers have voting responsibility instructing them to forward all proxy materials to:

[Adviser name]

Attn: Proxy Voting Department

One Corporate Center

Rye, New York 10580-1433

The sales assistant sends the letters to the custodians along with the trading/DTC instructions. Proxy voting records will be retained in compliance with Rule 204-2 under the Investment Advisers Act.

#### **V. 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 Authorization Forms ( VAFs ) - Issued by Broadridge Financial Solutions, Inc. ( Broadridge )  
VAFs must be voted through the issuing institution causing a time lag. 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 according to security.

3. In the case of a discrepancy such as an incorrect number of shares, an improperly signed or dated card, wrong class of security, etc., the issuing custodian is notified by phone. A corrected proxy is requested. Any arrangements are made to insure that a



proper proxy is received in time to be voted (overnight delivery, fax, etc.). When securities are out on loan on record date, the custodian is requested to supply written verification.

4. Upon receipt of instructions from the proxy committee (see Administrative), the votes are cast and recorded for each account on an individual basis.

Records have been maintained on the Proxy Edge system. The system is backed up regularly.

Proxy Edge records include:

Security Name and Cusip Number

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

Client Name

Adviser or Fund Account Number

Directors Recommendation

How GAMCO voted for the client on each issue

5. VAFs 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.

6. Shareholder Vote Authorization Forms issued by Broadridge are always sent directly to a specific individual at Broadridge.

7. If a proxy card or VAF is received too late to be voted in the conventional matter, every attempt is made to vote on one of the following manners:

VAFs can be faxed to Broadridge up until the time of the meeting. This is followed up by mailing the original form.

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

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

9. 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:



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The back of the VAF is stamped indicating that we wish to vote in person. The forms are then sent overnight to Broadridge. Broadridge issues individual legal proxies and

sends them back via 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.

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 following supplemental material:

A limited Power of Attorney appointing the attendee an Adviser representative.

A list of all shares being voted by custodian only. Client names and account numbers are not included. This list must be presented, along with the proxies, to the Inspectors of Elections and/or tabulator at least one-half hour prior to the scheduled start of the meeting. The tabulator must qualify the votes (i.e. determine if the vote have previously been cast, if the votes have been rescinded, etc. vote have previously been cast, etc.).

A sample ERISA and Individual contract.

A sample of the annual authorization to vote proxies form.

A copy of our most recent Schedule 13D filing (if applicable).

**Appendix A**

**Proxy Guidelines**

**PROXY VOTING GUIDELINES**

***GENERAL POLICY STATEMENT***

It is the policy of **GAMCO Investors, Inc.** 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***

The advisers 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 shareholder votes

Qualifications  
Nominating committee in place  
Number of outside directors on the board  
Attendance at meetings  
Overall performance

## ***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

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 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.

***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.

*Note: Congress has imposed a tax on any parachute that is more than three times the executive's average annual compensation.*

***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.

***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. We may 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.

***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:

- State of Incorporation
- Management history of responsiveness to shareholders
- Other mitigating factors

***POISON PILL***

In general, we do not endorse poison pills.

In certain cases where management has a history of being responsive to the needs of shareholders and the stock is very liquid, we will reconsider this position.

***REINCORPORATION***

Generally, we support reincorporation for well-defined business reasons. We oppose reincorporation if proposed solely for the purpose of reincorporating in a state with more stringent anti-takeover statutes that may negatively impact the value of the stock.

***STOCK OPTION PLANS***

Stock option plans are an excellent way to attract, hold and motivate directors and employees. However, each stock option plan must be evaluated on its own merits, taking into consideration the following:

- Dilution of voting power or earnings per share by more than 10%
- Kind of stock to be awarded, to whom, when and how much
- Method of payment

Amount of stock already authorized but not yet issued under existing stock option plans

***SUPERMAJORITY VOTE REQUIREMENTS***

Supermajority vote requirements in a company's charter or bylaws require a level of voting approval in excess of a simple majority of the outstanding shares. In general, we oppose supermajority-voting requirements. Supermajority requirements often exceed the average level of shareholder participation. We support proposals' approvals by a simple majority of the shares voting.

***LIMIT SHAREHOLDERS RIGHT TO ACT BY WRITTEN CONSENT***

Written consent allows shareholders to initiate and carry on a shareholder action without having to wait until the next annual meeting or to call a special meeting. It permits action to be taken by the written consent of the same percentage of the shares that would be required to effect proposed action at a shareholder meeting.

Reviewed on a case-by-case basis.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

**PORTFOLIO MANAGERS**

Mario J. Gabelli, CFA, is Chairman and Chief Executive Officer of GAMCO Investors, Inc. that he founded in 1977 and Chief Investment Officer Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management 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. He currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

Jeffrey J. Jonas, CFA, joined Gabelli in 2003 as a research analyst. He focuses on companies in the cardiovascular, healthcare services, and pharmacy benefits management sectors, among others. He also serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Jonas was a Presidential Scholar at Boston College, where he received a BS in Finance and Management Information Systems.

### **MANAGEMENT OF OTHER ACCOUNTS**

The table below shows the number of other accounts managed by the portfolio managers and the total assets in each of the following categories: registered investment companies, other paid investment vehicles and other accounts as of December 31, 2013. For each category, the table also shows the number of accounts and the total assets in the accounts with respect to which the advisory fee is based on account performance.

Name of Portfolio		Total	Total	No. of Accounts where Advisory Fee is Based on Performance	Total Assets in Accounts where Advisory Fee is Based on Performance
Manager or <u>Team Member</u>	Type of <u>Accounts</u>	No. of Accounts <u>Managed</u>	<u>Assets</u>		
1. Mario J. Gabelli	Registered	26	25.7B	8	5.3B
	Investment				
	Companies: Other Pooled	15	555.2M	13	547.2M
	Investment				
2. Kevin V. Dreyer	Vehicles: Other Accounts:	1,694	18.5B	21	2.3B
	Registered	5	7.9B	2	4.2B
	Investment				
	Companies: Other Pooled	0	0	0	0
Investment	Vehicles: Other Accounts:	280	1.1B	1	8.3B

3. Jeffrey J. Jonas	Registered	2	6.1B	1	2.5B
	Investment				
	Companies:				
	Other Pooled	0	0	0	0
	Investment				
	Vehicles:				
	Other Accounts:	8	24.7M	2	20.9M

**POTENTIAL CONFLICTS OF INTEREST**

Actual or apparent conflicts of interest may arise when a Portfolio Manager also has day-to-day management responsibilities with respect to one or more other accounts. These potential conflicts include:

**ALLOCATION OF LIMITED TIME AND ATTENTION.** Because the portfolio managers manage many accounts, they may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if they were to devote all of their attention to the management of only a few accounts.

**ALLOCATION OF LIMITED INVESTMENT OPPORTUNITIES.** If the portfolio managers identify an investment opportunity that may be suitable for multiple accounts, the Fund may not be able to take full advantage of that opportunity because the opportunity may be allocated among all or many of these accounts or other accounts managed primarily by other portfolio managers of the Adviser, and their affiliates.

**SELECTION OF BROKER/DEALERS.** Because of Mr. Gabelli's indirect majority ownership interest in G.research, Inc., he may have an incentive to use G.research to execute portfolio transactions for a Fund.

**PURSUIT OF DIFFERING STRATEGIES.** At times, the portfolio managers may determine that an investment opportunity may be appropriate for only some of the accounts for which they exercise investment responsibility, or may decide that certain of these accounts should take differing positions with respect to a particular security. In these cases, the portfolio managers may execute differing or opposite transactions for one or more accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment of one or more of their accounts.

**VARIATION IN COMPENSATION.** A conflict of interest may arise where the financial or other benefits available to the portfolio manager differ among the accounts that they manage. If the structure of the Adviser's management fee or the portfolio manager's compensation differs among accounts (such as where certain accounts pay higher management fees or performance-based management fees), the portfolio managers may be motivated to favor certain accounts over others. The portfolio managers also may be motivated to favor accounts in which they have an investment interest, or in which the Adviser, or its affiliates have investment interests. In Mr. Gabelli's case, the Adviser's compensation and expenses for the Fund are marginally greater as a percentage of assets than for certain other accounts and are less than for certain other accounts managed by Mr. Gabelli, while his personal compensation structure varies with near-term performance to a greater degree in certain performance fee based accounts than with on-performance based accounts. In addition, he has investment interests in several of the funds managed by the Adviser and its affiliates.

The Adviser, and the Funds have adopted compliance policies and procedures that are designed to address the various conflicts of interest that may arise for the Adviser and their staff members. However, there is no guarantee that such policies and procedures will be able to detect and prevent every situation in which an actual or potential conflict may arise.

#### **COMPENSATION STRUCTURE FOR MARIO J. GABELLI**

Mr. Gabelli receives incentive-based variable compensation based on a percentage of net revenues received by the Adviser for managing the Trust. Net revenues are determined by deducting from gross investment management fees the firm's expenses (other than Mr. Gabelli's compensation) allocable to this Trust. Five closed-end registered investment companies (including this Trust) managed by Mr. Gabelli have arrangements whereby the Adviser will only receive its investment advisory fee attributable to the liquidation value of outstanding preferred stock (and Mr. Gabelli would only receive his percentage of such advisory fee) if certain performance levels are met. Additionally, he receives similar incentive based variable compensation for managing other accounts within the firm and its affiliates. This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. One of the other registered investment companies managed by Mr. Gabelli has a performance (fulcrum) fee arrangement for which his compensation is adjusted up or down based on the performance of the investment company relative to an index. Mr. Gabelli manages other accounts with performance fees. Compensation for managing these accounts has two components. One component is based on a percentage of net revenues to the investment adviser for managing the account. The second component is based on absolute performance of the account, with respect to which a percentage of such performance fee is paid to

Mr. Gabelli. As an executive officer of the Adviser's parent company, GBL, Mr.

Gabelli also receives ten percent of the net operating profits of the parent company. He receives no base salary, no annual bonus, and no stock options.

**COMPENSATION STRUCTURE FOR PORTFOLIO MANAGERS OF THE ADVISER OTHER THAN MARIO GABELLI**

The compensation of the Portfolio Managers for the Fund is structure to enable the Adviser to attract and retain highly qualified professionals in a competitive environment. The Portfolio Managers receive a compensation package that includes a minimum draw or base salary, equity-based incentive compensation via awards of restricted stock, and incentive-based variable compensation based on a percentage of net revenue received by the Adviser for managing a Fund to the extent that the amount exceeds a minimum level of compensation. Net revenues are determined by deducting from gross investment management fees certain of the firm's expenses (other than the respective Portfolio Manager's compensation) allocable to the respective Fund (the incentive-based variable compensation for managing other accounts is also based on a percentage of net revenues to the investment adviser for managing the account). This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of equity-based incentive and incentive-based variable compensation is based on an evaluation by the Adviser's parent, GBL, of quantitative and qualitative performance evaluation criteria. This evaluation takes into account, in a broad sense, the performance of the accounts managed by the Portfolio Manager, but the level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. Generally, greater consideration is given to the performance of larger accounts and to longer term performance over smaller accounts and short-term performance.

**OWNERSHIP OF SHARES IN THE FUND**

Mario J. Gabelli, Kevin V. Dreyer, and Jeffrey J. Jonas each owned over \$1,000,000, \$10,001 - \$50,000 and \$50,001 - \$100,000, respectively, of shares of the Trust as of December 31, 2013.

(b) Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

**REGISTRANT PURCHASES OF EQUITY SECURITIES**

<b>Period</b>	<b>(a) Total Number of Shares (or Units) Purchased</b>	<b>(b) Average Price Paid per Share (or Unit)</b>	<b>(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</b>
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Month #1	Common	N/A	Common	N/A	Common	N/A	Common	14,956,614
07/01/13								
through	Preferred	N/A	Preferred	N/A	Preferred	N/A	Preferred Series A	1,200,000
07/31/13								
Month #2	Common	N/A	Common	N/A	Common	N/A	Common	14,956,614
08/01/12								
through	Preferred Series A		Preferred Series A		N/A Preferred Series A		Preferred Series A	1,200,000
08/31/13	N/A				N/A			

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Month #3	Common	N/A	Common	N/A	Common	N/A	Common	14,956,614
09/01/13 through 09/30/13	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
Month #4	Common	N/A	Common	N/A	Common	N/A	Common	14,956,614
10/01/13 through 10/31/13	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
Month #5	Common	N/A	Common	N/A	Common	N/A	Common	14,956,614
11/01/13 through 11/30/13	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
Month #6	Common	N/A	Common	N/A	Common	N/A	Common	14,956,614
12/01/13 through 12/31/13	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	1,200,000
Total	Common	N/A	Common	N/A	Common	N/A	N/A	
	Preferred Series A	N/A	Preferred Series A	N/A	Preferred Series A	N/A	N/A	

Footnote columns (c) and (d) of the table, by disclosing the following information in the aggregate for all plans or programs publicly announced:

- a. The date each plan or program was announced The notice of the potential repurchase of common and preferred shares occurs quarterly in the Fund's quarterly report in accordance with Section 23(c) of the Investment Company Act of 1940, as amended.
- b. The dollar amount (or share or unit amount) approved Any or all common shares outstanding may be repurchased when the Fund's common shares are trading at a discount of 10% or more from the net asset value of the shares. Any or all preferred shares outstanding may be repurchased when the Fund's preferred shares are trading at a discount to the liquidation value of \$25.00.
- c. The expiration date (if any) of each plan or program The Fund's repurchase plans are ongoing.
- d. Each plan or program that has expired during the period covered by the table The Fund's repurchase plans are ongoing.
- e. Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. The Fund's repurchase plans are ongoing.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Trustees, where those changes were implemented after the

registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

**Item 11. Controls and Procedures.**

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

**Item 12. Exhibits.**

- (a)(1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.
  - (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
  - (a)(3) Not applicable.
  - (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (12.other) Not applicable.

**SIGNATURES**

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

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

By (Signature and Title)\* /s/ Agnes Mullady  
Agnes Mullady, Principal Executive Officer and Principal  
Financial Officer

Date 3/10/2014

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

By (Signature and Title)\* /s/ Agnes Mullady  
Agnes Mullady, Principal Executive Officer and Principal  
Financial Officer

Date 3/10/2014

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