

H&Q HEALTHCARE INVESTORS
Form N-Q
February 29, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-04889

H&Q Healthcare Investors
(Exact name of registrant as specified in charter)

30 Rowes Wharf, Boston, MA
(Address of principal executive offices)

02110
(Zip code)

(Name and address of agent for service)

Registrant's telephone number, including area code: 617-772-8500

Date of fiscal year end: September 30

Date of reporting period: 12/31/07

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b-15 under the Investment Company Act of 1940 (17CFR 270.3b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss.3507.

Item 1. Schedule of Investments.

H&O HEALTHCARE INVESTORS

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2007

(Unaudited)

CONVERTIBLE SECURITIES AND WARRANTS 15.4% of Net Assets

| SHARES | | VALUE |
|-----------|--|------------|
| | Convertible Preferred (Restricted) (e) 15.2% | |
| | <i>Drug Discovery Technologies 1.1%</i> | |
| 2,380,953 | Agilix Corporation Series B (a) (b) | \$ 141,809 |
| 375,000 | Ceres, Inc. Series C (a) | 2,437,500 |
| 32,193 | Ceres, Inc. Series C-1 (a) | 209,255 |
| 280,105 | Ceres, Inc. Series D (a) | 1,820,682 |
| 40,846 | Ceres, Inc. Series F (a) | 265,499 |
| 8,170 | Ceres, Inc. warrants (expiration 9/05/15) (a) | 0 |
| 300,000 | Zyomyx, Inc. Series A New (a) | 30,000 |
| 300 | Zyomyx, Inc. Series B New (a) | 30 |
| | <i>Emerging Biopharmaceuticals 4.4%</i> | |
| 1,117,381 | Agensys, Inc. Series C (a) | 10,165,932 |
| 198,961 | Agensys, Inc. Series D (a) | 1,810,147 |
| 1,818,182 | Raven biotechnologies, Inc. Series B (a) | 377,273 |
| 2,809,157 | Raven biotechnologies, Inc. Series C (a) | 582,900 |
| 4,083,022 | Raven biotechnologies, Inc. Series D (a) | 300,102 |
| 2,123,077 | TargeGen, Inc. Series C (a) | 1,840,007 |
| 586,871 | TargeGen, Inc. Series D (a) | 508,624 |
| 4,001,078 | Xanthus Pharmaceuticals, Inc. Series B (a) | 4,001,078 |
| | <i>Healthcare Services 4.4%</i> | |
| 1,577,144 | CardioNet, Inc. Series C (a) | 5,520,004 |
| 928 | CardioNet, Inc. Mandatorily Cvt. Pfd. (a) | 966,841 |
| 52,882 | CardioNet, Inc. warrants (expiration 5/01/11) (a) | 0 |
| 2,085 | CardioNet, Inc. warrants (expiration 8/29/11) (a) | 0 |
| 484,829 | CytoLogix Corporation Series A (a) (b) | 4,848 |
| 227,130 | CytoLogix Corporation Series B (a) (b) | 713,188 |
| 160,000 | I-trax, Inc. Series A (a) | 6,893,370 |
| 5,384,615 | PHT Corporation Series D (a) (b) | 4,200,000 |
| 1,204,495 | PHT Corporation Series E (a) (b) | 939,506 |
| | <i>Medical Devices and Diagnostics 5.3%</i> | |
| 4,852,940 | Concentric Medical, Inc. Series B (a) (b) | 6,794,116 |
| 1,744,186 | Concentric Medical, Inc. Series C (a) (b) | 2,441,860 |
| 683,000 | Concentric Medical, Inc. Series D (a) (b) | 956,200 |
| 222,222 | EPR, Inc. Series A (a) | 2,222 |
| 2,292,152 | FlowCardia, Inc. Series C (a) | 2,458,333 |
| 3,669,024 | Labcyte Inc. Series C (a) | 1,920,000 |
| 2,950,000 | Magellan Biosciences, Inc. Series A (a) | 2,950,000 |
| 1,547,988 | OmniSonics Medical Technologies, Inc. Series A-1 (a) | 1,171,827 |
| 1,263,099 | OmniSonics Medical Technologies, Inc. Series B-1 (a) | 956,166 |
| 65,217 | TherOx, Inc. Series H (a) | 251,803 |
| 149,469 | TherOx, Inc. Series I (a) | 577,100 |
| 4,220 | TherOx, Inc. warrants (expiration 1/26/10) (a) | 0 |

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| SHARES | | VALUE |
|---------|---|---------------|
| | Convertible Preferred (Restricted) (e) continued | |
| 921,875 | Xoft, Inc. Series D (a) | \$ 2,950,000 |
| | | \$ 67,158,222 |

PRINCIPAL AMOUNT

| | | |
|------------|--|---------------|
| | Convertible Notes (Restricted) (e) 0.2% | |
| | Emerging Biopharmaceuticals 0.1% | |
| 44,651 | Raven biotechnologies Convertible Note, 5.00% due 2009 | 44,651 |
| 300,426 | Xanthus Pharmaceuticals, Inc. Promissory Note, 8.00% due 2008 | 300,426 |
| | Healthcare Services 0.1% | |
| \$ 507,842 | CytoLogix Corporation Subordinated Promissory Note, 6.24% due 2010 (b) | 507,842 |
| | | 852,919 |
| | TOTAL CONVERTIBLE SECURITIES AND WARRANTS | |
| | (Cost \$66,780,340) | \$ 68,011,141 |

SHARES

| | | |
|---------|---|-------------|
| | COMMON STOCKS AND WARRANTS 80.9% | |
| | Biopharmaceuticals 24.5% | |
| 115,950 | Adams Respiratory Therapeutics, Inc. (a) | 6,926,853 |
| 596,918 | Akorn, Inc. (a) | 4,381,378 |
| 202,223 | Akorn, Inc. warrants (expiration 3/08/11) (a) (e) | 392,313 |
| 134,443 | Amgen Inc. (a) | 6,243,533 |
| 115,465 | Amylin Pharmaceuticals, Inc. (a) | 4,272,205 |
| 69,800 | Biogen Idec Inc. (a) | 3,973,016 |
| 102,986 | Cubist Pharmaceuticals, Inc. (a) | 2,112,243 |
| 118,000 | Forest Laboratories, Inc. (a) | 4,301,100 |
| 34,330 | Genentech, Inc. (a) | 2,302,513 |
| 108,718 | Genzyme Corporation (a) | 8,092,968 |
| 362,550 | Gilead Sciences, Inc. (a) | 16,680,925 |
| 98,352 | Hologic, Inc. (a) | 6,750,881 |
| 146,888 | Inspire Pharmaceuticals, Inc. (a) | 878,390 |
| 5,385 | Intuitive Surgical, Inc. (a) | 1,747,433 |
| 120,395 | Martek Biosciences Corporation (a) | 3,561,284 |
| 202,400 | Medarex, Inc. (a) | 2,109,008 |
| 334,550 | Medicines Company (a) | 6,409,978 |
| 73,500 | Mentor Corporation | 2,873,850 |
| 116,350 | Merck & Co., Inc. | 6,761,099 |
| 112,105 | Myriad Genetics, Inc. (a) | 5,203,914 |
| 145,130 | Omrix Biopharmaceuticals, Inc. (a) | 5,041,816 |
| 100,700 | Schering-Plough Corporation | 2,682,648 |
| 210,275 | Vertex Pharmaceuticals, Inc. (a) | 4,884,688 |
| | | 108,584,036 |

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| SHARES | | VALUE |
|---|---|--------------|
| COMMON STOCKS AND WARRANTS continued | | |
| Biotechnology 1.2% | | |
| 472,000 | Athersys, Inc. (a) (e) | \$ 1,854,016 |
| 118,000 | Athersys, Inc. warrants (expiration 6/08/12) (a) (e) | 132,160 |
| 489,250 | Momenta Pharmaceuticals, Inc. (a) | 3,493,245 |
| | | 5,479,421 |
| Drug Delivery 3.5% | | |
| 327,450 | Alkermes, Inc. (a) (f) | 5,104,946 |
| 256,000 | CVS Caremark Corporation | 10,176,000 |
| | | 15,280,946 |
| Drug Discovery Technologies 4.1% | | |
| 243,433 | Avalon Pharmaceuticals, Inc. (a) | 771,683 |
| 127,320 | Celgene Corporation (a) | 5,883,457 |
| 87,562 | Cougar Biotechnology, Inc. (a) | 2,863,278 |
| 42,950 | Shire Plc (d) | 2,961,403 |
| 58,600 | United Therapeutics Corporation (a) | 5,722,290 |
| 300,000 | Zyomyx, Inc. (Restricted) (a) (e) | 3,000 |
| | | 18,205,111 |
| Emerging Biopharmaceuticals 3.5% | | |
| 752,798 | ACADIA Pharmaceuticals Inc. (a) | 8,333,474 |
| 170,698 | DOV Pharmaceutical, Inc. warrants (expiration 12/31/09) (a) (e) | 3,414 |
| 783,900 | Exelixis, Inc. (a) | 6,765,057 |
| 454,078 | NitroMed, Inc. (a) | 458,619 |
| | | 15,560,564 |
| Generic Pharmaceuticals 7.1% | | |
| 135,700 | Barr Pharmaceuticals, Inc. (a) | 7,205,670 |
| 386,014 | Impax Laboratories, Inc. (a) | 4,188,252 |
| 476,200 | Mylan Inc. | 6,695,372 |
| 291,469 | Teva Pharmaceutical Industries, Ltd. (d) | 13,547,479 |
| | | 31,636,773 |
| Healthcare Services 12.3% | | |
| 40,000 | Aetna Inc. | 2,309,200 |
| 118,800 | Allergan, Inc. | 7,631,712 |
| 222,222 | Aveta, Inc. (Restricted) (a) (e) | 2,222,220 |
| 94,400 | Centene Corporation (a) | 2,590,336 |
| 45,719 | Dako A/S (Restricted) (c) (e) | 1,319,450 |
| 227,900 | Eclipsys Corporation (a) | 5,768,149 |
| 172,660 | HealthExtras, Inc. (a) | 4,502,973 |
| 95,460 | ICON Plc (a) (d) | 5,905,156 |
| 72,700 | Medco Health Solutions, Inc. (a) | 7,371,780 |
| 71,300 | PAREXEL International Corporation (a) | 3,443,790 |
| 101,500 | Pharmaceutical Product Development, Inc. | 4,097,555 |
| 306,208 | Syntiro Healthcare Services (Restricted) (a) (e) | 306 |
| 41,000 | UnitedHealth Group, Inc. | 2,386,200 |

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| SHARES | | VALUE |
|--|---|----------------|
| COMMON STOCKS AND WARRANTS continued | | |
| Healthcare Services continued | | |
| 57,750 | WellPoint, Inc. (a) | 5,066,407 |
| | | 54,615,234 |
| Medical Devices and Diagnostics 24.7% | | |
| 180,040 | Align Technology, Inc. (a) | \$ 3,003,067 |
| 189,910 | Applera Corporation- Applied Biosystems Group | 6,441,747 |
| 117,950 | Baxter International Inc. | 6,846,997 |
| 127,660 | Becton, Dickinson and Company | 10,669,823 |
| 110,900 | BioForm Medical, Inc. (a) | 757,447 |
| 114,454 | IDEXX Laboratories, Inc. (a) | 6,710,438 |
| 142,057 | Inverness Medical Innovations, Inc. (a) | 7,980,762 |
| 103,950 | Laboratory Corporation of America Holdings (a) | 7,851,343 |
| 29,500 | Masimo Corporation | 1,163,775 |
| 480,000 | Masimo Corporation (Restricted) (e) | 17,989,200 |
| 160,000 | Masimo Laboratories, Inc. (Restricted) (a) (e) | 41,472 |
| 830,292 | Medwave, Inc. (a) (b) (e) | 0 |
| 207,573 | Medwave, Inc. warrants (expiration 8/21/11) (a) (b) (e) | 0 |
| 93,008 | OmniSonic Medical Technologies, Inc. (Restricted) (a) (e) | 930 |
| 74,890 | Patterson Companies, Inc. (a) | 2,542,516 |
| 142,900 | PerkinElmer, Inc. | 3,718,258 |
| 112,500 | Phase Forward Inc. (a) | 2,446,875 |
| 107,500 | Quest Diagnostics, Inc. | 5,686,750 |
| 89,000 | ResMed Inc. (a) | 4,675,170 |
| 68,400 | Respironics, Inc. (a) | 4,478,832 |
| 208 | Songbird Hearing, Inc. (Restricted) (a) (e) | 139 |
| 63,275 | Stryker Corporation | 4,727,908 |
| 159,160 | Thermo Fisher Scientific Inc. (a) | 9,180,349 |
| 164,667 | VNUS Medical Technologies, Inc. (a) | 2,390,965 |
| | | 109,304,763 |
| TOTAL COMMON STOCKS AND WARRANTS | | |
| | (Cost \$298,561,461) | \$ 358,666,848 |

PRINCIPAL AMOUNT

| | | |
|-------------------------------------|---|---------------|
| SHORT-TERM INVESTMENTS 4.0% | | |
| \$ 13,259,000 | American Express Corporation; 4.00% 4.15% due 01/03/08 01/04/08 | 13,255,033 |
| 4,486,000 | General Electric Capital Corporation; 3.70% due 01/07/08 | 4,483,233 |
| TOTAL SHORT-TERM INVESTMENTS | | |
| | (Cost \$17,738,266) | \$ 17,738,266 |

| | VALUE |
|---|----------------|
| TOTAL INVESTMENTS 100.3% (Cost \$383,080,067) | \$ 444,416,255 |
| OTHER LIABILITIES IN EXCESS OF ASSETS - (0.3%) | \$ (1,306,852) |
| NET ASSETS - 100% | \$ 443,109,403 |

-
- (a) Non-income producing security.
 - (b) Affiliated issuers in which the Fund holds 5% or more of the voting securities (Total Market Value of \$16,699,369).
 - (c) Foreign Security.
 - (d) American Depository Receipt.
 - (e) Security fair valued by the Valuation Committee of the Board of Trustees.
 - (f) A portion of security is pledged as collateral for call options written.

SCHEDULE OF WRITTEN OPTIONS

| NUMBER OF CONTRACTS (100 SHARES EACH) | CALL OPTION WRITTEN | EXPIRATION DATE | CURRENT VALUE |
|--|-------------------------------|--------------------|------------------|
| 88 | Alkermes, Inc., strike @ 17.5 | Jan - 2008 | \$ (1,320) |
| | | | \$ (1,320) |

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Investment Valuation - Investments traded on national securities exchanges or in the over-the-counter market that are National Market System securities are valued at the last sale price or, lacking any sales, at the mean between the last bid and asked prices. Other over-the-counter securities are valued at the most recent bid prices as obtained from one or more dealers that make markets in the securities. Publicly-traded investments for which market quotations are not readily available or whose quoted price may otherwise not reflect fair value are valued at fair value as determined in good faith by the Trustees of the Fund. The fair value of venture capital and other restricted securities is determined in good faith by the Trustees. However, because of the uncertainty of fair valuations these estimated values may differ significantly from the values that would have been used had a ready market for these securities existed, and the differences could be material. Each such fair value determination is based on a consideration of relevant factors. Factors the Trustees consider may include (i) the existence of any contractual restrictions on the disposition of securities; (ii) information obtained from the issuer which may include an analysis of the company's financial condition, the company's products or intended markets or the company's technologies; and (iii) the price of a security negotiated at arm's length in an issuer's completed subsequent round of financing. Short-term investments with maturity of 60 days or less are valued at amortized cost.

Venture Capital and Other Restricted Securities - The Fund may invest in venture capital and other restricted securities if these securities would currently comprise of 40% or less of net assets. The value of the securities represents 20% of the Fund's net assets at December 31, 2007. The following table details the acquisition date, cost, carrying value per unit, and value of the Fund's venture capital and other restricted securities at December 31, 2007, as determined by the Trustees of the Fund. The Fund on its own does not have the right to demand that such securities be registered.

| Security (g) | Acquisition Date | Cost | Carrying Value per Unit | Value |
|---------------------------------|------------------|--------------|-------------------------|---------------|
| Agensys, Inc. | | | | |
| Series C Cvt. Pfd. | 2/14/02, 9/27/05 | \$ 3,307,024 | \$ 9.10 | \$ 10,165,932 |
| Series D Cvt. Pfd. | 6/28/07 | 716,665 | 9.10 | 1,810,147 |
| Agilix Corporation | | | | |
| Series B Cvt. Pfd. | 11/8/01 | 2,495,500 | 0.06 | 141,809 |
| Aveta, Inc. | | | | |
| Restricted Common | 12/21/05 | 3,004,604 | 10.00 | 2,222,220 |
| CardioNet, Inc. | | | | |
| Series C Cvt. Pfd. | 5/3/01 - 3/25/03 | 5,553,977 | 3.50 | 5,520,004 |
| Mandatorily Cvt. Pfd. | 8/15/05 - 3/7/07 | 930,304 | 1,041.85 | 966,841 |
| Warrants (expiration 5/01/11) | 5/1/06 | 0 | 0.00 | 0 |
| Warrants (expiration 8/29/11) | 8/29/06 | 0 | 0.00 | 0 |
| Ceres, Inc. | | | | |
| Series C Cvt. Pfd. | 12/23/98 | 1,502,732 | 6.50 | 2,437,500 |
| Series C-1 Cvt. Pfd. | 3/31/01 | 111,508 | 6.50 | 209,255 |
| Series D Cvt. Pfd. | 3/14/01 | 1,668,294 | 6.50 | 1,820,682 |
| Series F Cvt. Pfd. | 9/5/07 | 268,136 | 6.50 | 265,499 |
| Warrants (expiration 9/05/15) | 9/5/07 | 0 | 0.00 | 0 |
| Concentric Medical, Inc. | | | | |
| Series B Cvt. Pfd. | 5/7/02, 1/24/03 | 3,330,309 | 1.40 | 6,794,116 |
| Series C Cvt. Pfd. | 12/19/03 | 1,500,289 | 1.40 | 2,441,860 |
| Series D Cvt. Pfd. | 9/30/05 | 957,880 | 1.40 | 956,200 |
| CytoLogix Corporation | | | | |
| Series A Cvt. Pfd. | 1/13/98-7/21/99 | 1,623,878 | 0.01 | 4,848 |
| Series B Cvt. Pfd. | 1/11/01 | 763,952 | 3.14 | 713,188 |
| Subordinated Promissory Note | 11/29/07 | 524,224 | 100.00 | 507,842 |
| Dako A/S | | | | |
| Restricted Common | 6/14/04, 2/16/07 | 1,306,894 | 28.86 | 1,319,450 |
| EPR, Inc. | | | | |
| Series A Cvt. Pfd. | 3/9/94 | 1,000,409 | 0.01 | 2,222 |
| FlowCardia, Inc. | | | | |
| Series C Cvt. Pfd. | 8/29/07 | 2,474,767 | 1.07 | 2,458,333 |
| I-trax, Inc. | | | | |

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| | | | | |
|---------------------------------------|--------------------|-----------|-------|------------|
| Series A Cvt. Pfd. | 3/18/04 | 4,003,650 | 43.08 | 6,893,370 |
| Labcyte, Inc. | | | | |
| Series C Cvt. Pfd. | 7/18/05 | 1,923,506 | 0.52 | 1,920,000 |
| Magellan Biosciences, Inc. | | | | |
| Series A Cvt. Pfd. | 11/28/06 | 2,954,179 | 1.00 | 2,950,000 |
| Masimo Corporation | | | | |
| Restricted Common | 8/14/96 | 1,120,657 | 37.48 | 17,989,200 |
| Masimo Laboratories, Inc. | | | | |
| Restricted Common | 3/31/98 | 0 | 0.26 | 41,472 |
| OmniSonics Medical Technologies, Inc. | | | | |
| Series A-1 Cvt. Pfd. | 10/1/03 | 1,800,514 | 0.76 | 1,171,827 |
| Series B-1 Cvt. Pfd. | 6/4/07, 11/15/07 | 960,516 | 0.76 | 956,166 |
| Common | 5/24/01 | 2,409,033 | 0.01 | 930 |
| PHT Corporation | | | | |
| Series D Cvt. Pfd. | 7/23/01 | 4,205,754 | 0.78 | 4,200,000 |
| Series E Cvt. Pfd. | 9/12/03 - 10/14/04 | 941,669 | 0.78 | 939,506 |

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| Security (g) | Acquisition Date | Cost | Carrying Value per Unit | Value |
|-------------------------------|--------------------|---------------|-------------------------|---------------|
| Raven biotechnologies, Inc. | | | | |
| Series B Cvt. Pfd. | 12/12/00 | \$ 3,001,725 | \$ 0.21 | \$ 377,273 |
| Series C Cvt. Pfd. | 11/26/02 | 2,331,600 | 0.21 | 582,900 |
| Series D Cvt. Pfd. | 6/23/05 | 1,205,689 | 0.07 | 300,102 |
| Cvt. Note | 11/13/07 | 47,810 | 100.00 | 44,651 |
| Songbird Hearing, Inc. | | | | |
| Restricted Common | 12/14/00 | 3,004,861 | 0.67 | 139 |
| Syntiro Healthcare Services | | | | |
| Restricted Common | 2/5/97 | 1,200,325 | 0.001 | 306 |
| TargeGen, Inc. | | | | |
| Series C Cvt. Pfd. | 8/30/05 | 2,763,495 | 0.87 | 1,840,007 |
| Series D Cvt. Pfd. | 5/8/07 | 764,407 | 0.87 | 508,624 |
| TherOx, Inc. | | | | |
| Series H Cvt. Pfd. | 9/11/00 | 3,002,506 | 3.86 | 251,803 |
| Series I Cvt. Pfd. | 7/8/05 | 579,407 | 3.86 | 577,100 |
| Warrants (expiration 1/26/10) | 1/26/05 | 0 | 0.00 | 0 |
| Warrants (expiration 6/09/09) | 6/9/04 | 0 | 0.00 | 0 |
| Xanthus Pharmaceuticals, Inc. | | | | |
| Series B Cvt. Pfd. | 12/5/03 - 11/15/06 | 4,004,952 | 1.00 | 4,001,078 |
| Cvt. Promissory Note | 12/3/07 | 300,426 | 100.00 | 300,426 |
| Xoft | | | | |
| Series D Cvt. Pfd. | 3/23/07 | 2,958,518 | 3.20 | 2,950,000 |
| Zyomyx, Inc. | | | | |
| Series A New Cvt. Pfd. | 1/12/04 | 299,700 | 0.10 | 30,000 |
| Series B New Cvt. Pfd. | 2/19/99, 1/12/04 | 468 | 0.10 | 30 |
| New Restricted Common | 2/19/99 - 7/22/04 | 3,602,065 | 0.01 | 3,000 |
| | | \$ 82,428,778 | | \$ 89,587,858 |

(g) See Schedule of Investments and corresponding footnotes for more information on each issuer.

Federal Income Tax Cost - At December 31, 2007, the total cost of securities for Federal income tax purposes was \$383,080,067. The net unrealized gain on securities held by the Fund was \$61,336,188, including gross unrealized gain of \$102,464,046 and gross unrealized loss of \$41,127,858.

Affiliate Transactions An affiliate issuer is a company in which the Fund holds 5% or more of the voting securities. Transactions with such companies during the three months ended December 31, 2007 were as follows:

HQH

Insert for Affiliate Transactions

| Issuer | Value on September 30, 2007 | Purchases | Sales | Income | Value on December 31, 2007 |
|--------|-----------------------------|-----------|-------|--------|----------------------------|
|--------|-----------------------------|-----------|-------|--------|----------------------------|

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| | | | | | | |
|-----------------------------|----|------------|---------|---------|-------|------------|
| Agilix Corporation | \$ | 141,809 | \$ | \$ | \$ | 141,809 |
| Concentric Medical, Inc. | | 10,192,176 | | | | 10,192,176 |
| CytoLogix Corporation | | 527,247 | 507,842 | | 2,803 | 1,225,878 |
| Medwave, Inc. | | 35,287 | | | | 0 |
| PHT Corporation | | 5,139,506 | | | | 5,139,506 |
| | \$ | 16,036,025 | \$ | 507,842 | \$ | 2,803 |
| | | | | | \$ | 16,699,369 |

Item 2. Controls and Procedures.

(a.) The registrant's principal executive officer and principal financial officer have concluded, based on their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this report, that these disclosure controls and procedures are adequately designed and are operating effectively to ensure that information required to be disclosed by the registrant on Form N-Q is (i) accumulated and communicated to the investment company's management, including its certifying officers, to allow timely decisions regarding required disclosure; and (ii) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(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 that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Separate certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2(a)). Filed herewith.
