

TEKLA HEALTHCARE INVESTORS  
Form N-Q  
August 26, 2016

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

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**FORM N-Q**

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

Investment Company Act file number 811-04889

Tekla Healthcare Investors  
(Exact name of registrant as specified in charter)

100 Federal Street, 19th Floor, 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: 6/30/16

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**Item 1. Schedule of Investments.**

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**TEKLA HEALTHCARE INVESTORS****SCHEDULE OF INVESTMENTS**

JUNE 30, 2016

(Unaudited)

SHARES		VALUE
	<b>CONVERTIBLE PREFERRED AND WARRANTS (Restricted) (a) (b) 4.9% of Net Assets</b>	
	<b>Biotechnology 1.2%</b>	
1,426,649	Afferent Pharmaceuticals, Inc. Series C	\$ 6,890,728
1,553,255	BioClin Therapeutics, Inc. Series A	1,009,616
3,696,765	EBI Life Sciences, Inc. Series A (c)	18,854
2,266,666	GenomeDx Biosciences, Inc. Series C	3,399,999
		11,319,197
	<b>Health Care Equipment &amp; Supplies 2.2%</b>	
3,364,723	AlterG, Inc. Series C	1,379,536
114,158	CardioKinetix, Inc. Series C	114
205,167	CardioKinetix, Inc. Series D	522,765
632,211	CardioKinetix, Inc. Series E	1,799,905
580,225	CardioKinetix, Inc. Series F	1,982,049
	N/A(e) CardioKinetix, Inc. warrants (expiration 12/11/19)	0
	N/A(e) CardioKinetix, Inc. warrants (expiration 6/03/20)	0
12,695	CardioKinetix, Inc. warrants (expiration 8/15/24)	0
951,000	IlluminOss Medical, Inc. Series AA (c)	951,000
895,848	IlluminOss Medical, Inc. Series Junior Preferred (c)	895,848
11,410,347	Insightra Medical, Inc. Series C (c)	11,410
8,661,370	Insightra Medical, Inc. Series C-2 (c)	8,661
815,025	Insightra Medical, Inc. warrants (expiration 3/31/25) (c)	0
4,482,636	Insightra Medical, Inc. warrants (expiration 5/28/25) (c)	0
3,260,100	Insightra Medical, Inc. warrants (expiration 8/18/25) (c)	0
13,823,805	Palyon Medical Corporation Series A (c)	2,944
27,100,879	Palyon Medical Corporation Series B (c)	1,897
	N/A(e) Palyon Medical Corporation warrants (expiration 4/26/19) (c)	0
4,720,000	Tibion Corporation Series B	0
	N/A(e) Tibion Corporation warrants (expiration 07/12/17)	0
	N/A(e) Tibion Corporation warrants (expiration 10/30/17)	0
	N/A(e) Tibion Corporation warrants (expiration 11/28/17)	0
3,750,143	Veniti, Inc. Series A (c)	6,880,013
1,881,048	Veniti, Inc. Series B (c)	3,545,023
1,031,378	Veniti, Inc. Series C (c)	2,179,714
		20,160,879
	<b>Life Sciences Tools &amp; Services 0.7%</b>	
3,109,861	Dynex Technologies, Inc. Series A	1,554,931
142,210	Dynex Technologies, Inc. warrants (expiration 4/01/19)	0
11,335	Dynex Technologies, Inc. warrants (expiration 5/06/19)	0
3,669,024	Labcyte, Inc. Series C	4,274,413
160,767	Labcyte, Inc. Series D	168,484
		5,997,828
	<b>Pharmaceuticals 0.8%</b>	
4,118,954	Euthymics Biosciences, Inc. Series A (c)	4,119
77,632	Neurovance, Inc. Series A (c)	288,015
965,354	Neurovance, Inc. Series A-1 (c)	3,581,463

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561,798	Ovid Therapeutics, Inc. Series B	3,500,002
		7,373,599
	<b>TOTAL CONVERTIBLE PREFERRED AND WARRANTS</b>	
	(Cost \$55,708,882)	44,851,503

The accompanying notes are an integral part of this Schedule of Investments.

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PRINCIPAL AMOUNT		VALUE
<b>CONVERTIBLE AND NON-CONVERTIBLE NOTES 0.1% of Net Assets</b>		
<b>Convertible Notes (Restricted) (a) (c) 0.1%</b>		
<b>Health Care Equipment &amp; Supplies 0.0%</b>		
\$	414,000	Insightra Medical, Inc. Promissory Note, 8.00%, due 4/15/17
	43,658	Palyon Medical Corporation Promissory Note, 8.00%, due 7/15/16
		0
		0
<b>Pharmaceuticals 0.1%</b>		
	134,622	Neurovance, Inc. Cvt. Promissory Note, 6.00%, due 3/1/17
	403,867	Neurovance, Inc. Cvt. Promissory Note, 6.00%, due 3/1/17
		134,622
		403,867
		538,489
		538,489
<b>TOTAL CONVERTIBLE NOTES</b>		
<b>Non-Convertible Notes (Restricted) (a) (b) 0.0%</b>		
<b>Health Care Equipment &amp; Supplies 0.0%</b>		
	342,899	Tibion Corporation Non-Cvt. Promissory Note, 0.00%, due 12/31/18
	40,596	Tibion Corporation Non-Cvt. Promissory Note, 0.00%, due 12/31/18
		0
		0
		0
<b>TOTAL NON-CONVERTIBLE NOTES</b>		
<b>TOTAL CONVERTIBLE AND NON-CONVERTIBLE NOTES</b>		
		(Cost \$1,381,148)
		538,489

**SHARES**

<b>COMMON STOCKS AND WARRANTS 89.5% of Net Assets</b>		
<b>Biotechnology 54.2%</b>		
175,299	ACADIA Pharmaceuticals Inc. (b)	5,690,206
348,916	Alexion Pharmaceuticals, Inc. (b)	40,739,432
278,717	Alkermes plc (b)	12,046,149
170,970	Alnylam Pharmaceuticals, Inc. (b)	9,487,125
122,083		