

H&Q HEALTHCARE INVESTORS
Form N-Q
August 29, 2007

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

OMB APPROVAL
OMB Number: 3235-0578
Expires: April 30, 2010
Estimated average burden hours per
response.....10.5

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: 6/30/07

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 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

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

JUNE 30, 2007

(Unaudited)

SHARES		VALUE
	CONVERTIBLE SECURITIES AND WARRANTS 15.8% of Net Assets	
	Convertible Preferred (Restricted)(e) 15.8%	
	<i>Drug Discovery Technologies 1.0%</i>	
2,380,953	Agilix Corporation Series B (a) (b)	\$ 141,809
375,000	Ceres, Inc. Series C (a)	2,250,000
32,193	Ceres, Inc. Series C-1 (a)	193,158
280,105	Ceres, Inc. Series D (a)	1,680,630
1,398,732	Galileo Pharmaceuticals, Inc. Series F-1 (a)	140
300,000	Zyomyx, Inc. Series A New (a)	30,000
300	Zyomyx, Inc. Series B New (a)	30
	<i>Emerging Biopharmaceuticals 4.1%</i>	
1,117,381	Agensys, Inc. Series C (a)	4,022,572
198,961	Agensys, Inc. Series D (a)	716,260
1,818,182	Raven biotechnologies, Inc. Series B (a)	1,509,091
2,809,157	Raven biotechnologies, Inc. Series C (a)	2,331,600
4,083,022	Raven biotechnologies, Inc. Series D (a)	1,200,000
2,123,077	TargeGen, Inc. Series C (a)	2,760,000
586,871	TargeGen, Inc. Series D (a)	762,932
47,407	Therion Biologics Corporation Series A (a)	47
240,000	Therion Biologics Corporation Series B (a)	240
407,712	Therion Biologics Corporation Series C (a)	408
33,332	Therion Biologics Corporation Series C-2 (a)	33
36,092	Therion Biologics Corporation Sinking Fund (a)	36
24,999	Therion Biologics Corporation warrants (expiration 8/18/08) (a)	0
4,001,078	Xanthus Pharmaceuticals, Inc. Series B (a)	4,001,078
	<i>Healthcare Services 4.7%</i>	
928	CardioNet, Inc. Mandatorily Cvt. Pfd. (a) (b)	942,471
1,577,144	CardioNet, Inc. Series C (a) (b)	5,520,004
52,882	CardioNet, Inc. warrants (expiration 5/01/11) (a) (b)	0
2,085	CardioNet, Inc. warrants (expiration 8/29/11) (a) (b)	0
484,829	CytoLogix Corporation Series A (a) (b)	399,984
227,130	CytoLogix Corporation Series B (a) (b)	187,382
160,000	I-trax, Inc. Series A (a)	7,707,178
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 6.0%</i>	
4,852,940	Concentric Medical, Inc. Series B (a) (b)(c)	6,794,116
1,744,186	Concentric Medical, Inc. Series C (a) (b)	2,441,861
683,000	Concentric Medical, Inc. Series D (a) (b)	956,200
222,222	EPR, Inc. Series A (a)	2,222
3,669,024	Labcyte Inc. Series C (a)	1,920,000
2,950,000	Magellan Biosciences, Inc. Series A (a)	2,950,000
160,000	Masimo Corporation Series D	4,912,000
1,547,988	OmniSonics Medical Technologies, Inc. Series A-1 (a)	1,171,827
631,549	OmniSonics Medical Technologies, Inc. Series B-1 (a)	478,083

Edgar Filing: H&Q HEALTHCARE INVESTORS - Form N-Q

SHARES		VALUE
Medical Devices and Diagnostics continued		
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
8,141	TherOx, Inc. warrants (expiration 6/09/09) (a)	0
921,875	Xoft, Inc. Series D (a)	2,950,000
TOTAL CONVERTIBLE SECURITIES AND WARRANTS		
(Cost \$70,443,539)		\$ 66,901,801
COMMON STOCKS AND WARRANTS 78.8%		
Biopharmaceuticals 25.1%		
169,050	Adams Respiratory Therapeutics, Inc. (a)	6,658,879
596,918	Akorn, Inc. (a)	4,172,457
202,223	Akorn, Inc. warrants (expiration 3/07/11) (a) (e)	321,535
190,143	Amgen Inc. (a)	10,513,006
163,530	Amylin Pharmaceuticals, Inc. (a)	6,730,895
84,500	Biogen Idec Inc. (a)	4,520,750
343,086	Cubist Pharmaceuticals, Inc. (a)	