

SWISS HELVETIA FUND, INC.  
Form N-CSR  
March 08, 2013

**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: 811-05128

**THE SWISS HELVETIA FUND, INC.**

1270 Avenue of the Americas, Suite 400

New York, NY 10020

Alexandre de Takacsy, President

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**Banque Hottinger & Cie SA**

**Schutzengasse 30**

**CH-8001 Zurich**

**Switzerland**

**Registrant's telephone number, including area code: 1-888-SWISS-00**

**Date of fiscal year end: December 31**

**Date of reporting period: January 1, 2012 - December 31, 2012**

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 comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Stockholders.**

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THE SWISS HELVETIA FUND, INC.

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**Directors and Officers**

Samuel B. Witt III, Esq.

*Chairman (Non-executive)*

Brian A. Berris

*Director*

David R. Bock<sup>1</sup>

*Director*

Jean-Marc Boillat<sup>2</sup>

*Director*

Richard A. Brealey<sup>1,3</sup>

*Director*

Alexandre de Takacsy

*President*

*Director*

Claude W. Frey<sup>1</sup>

*Director*

Claus Helbig<sup>1</sup>

*Director*

R. Clark Hooper<sup>4</sup>

*Director*

<sup>1</sup> *Audit Committee Member*

<sup>2</sup> *Governance/Nominating Committee Chair*

**Investment Advisor**

Hottinger Capital Corp.

1270 Avenue of the Americas, Suite 400

Paul Hottinguer

*Director*

Rudolf Millisits

*Chief Executive Officer*

Philippe R. Comby,

CFA, FRM

*Chief Financial Officer*

*Vice President*

James Downey

*Secretary*

Scott Rhodes

*Assistant Treasurer*

Patrick J. Keniston

*Chief Compliance Officer*

*Director Emeritus*

Eric R. Gabus<sup>5</sup>

Baron Hottinger<sup>5</sup>

<sup>3</sup> *Pricing Committee Chair*

<sup>4</sup> *Audit Committee Chair*

<sup>5</sup> *Non-remunerated*

New York, NY 10020

(212) 332-7930

**Administrator**

Citi Fund Services Ohio, Inc.

**Custodian**

Citibank, N.A.

**Transfer Agent**

American Stock Transfer & Trust Company

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Plaza Level

New York, NY 10038

**Legal Counsel**

Stroock & Stroock & Lavan LLP

**Independent Registered Public Accounting Firm**

Deloitte & Touche LLP

**The Investment Advisor**

The Swiss Helvetia Fund, Inc. (the Fund ) is managed by Hottinger Capital Corp., which belongs to Groupe Banque Hottinger & Cie SA.

Groupe Banque Hottinger & Cie SA dates back to Banque Hottinguer, which was formed in Paris in 1786 and is one of Europe's oldest private banking firms. Groupe Banque Hottinger & Cie SA has remained under the control of the Hottinger family through seven generations. Its headquarters are in Zurich with offices in Geneva, Sion, Basel, Brig and New York.

**Executive Offices**

The Swiss Helvetia Fund, Inc.

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### **Website Address**

[www.swz.com](http://www.swz.com)

### **The Fund**

The Fund is a non-diversified, closed-end investment company whose objective is to seek long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies. The Fund also may acquire and hold equity and equity-linked securities of non-Swiss companies in limited instances.

The Fund is listed on the New York Stock Exchange under the symbol **SWZ** .

Net Asset Value is calculated daily by 6:15 P.M. (Eastern Time). The most recent calculation is available by calling 1-888-SWISS-00 or by accessing our Website. Net Asset Value is also published weekly in *Barron's*, the Monday edition of *The Wall Street Journal* and the Sunday edition of *The New York Times*.

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THE SWISS HELVETIA FUND, INC.

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Letter to Stockholders

*Fund Performance Review*

*Reflections on the First Half of 2012 - General Economic Trends, Currency Comments and Portfolio Positioning*

In last year's environment of great uncertainty and rapid changes in investors' risk appetites, Management tactically maintained the Fund's portfolio in a relatively conservative position through the summer and only started to increase portfolio risk later in the year. For example, the Fund's exposure to small capitalization stocks was reduced earlier in the year to concentrate on fewer core positions, and the Fund's macro-economic risk through its exposure to the financial sector was mostly to non-life insurance and reinsurance companies and much less to banks. Management's view was that strong companies would continue to get stronger and that struggling industries with little pricing power and lack of brand visibility should be avoided given the prevailing macro-economic conditions. The Fund's private equity position (approximately 7.0% of the Fund's average assets last year) also suppressed the Fund's exposure to market volatility during the year.

Exceptions to Management's conservative investment approach were reflected in the Fund's increased exposure to agri-business, as well as to the energy exploration and power generation sectors. Investments in the energy service sector, however, were restrained, as Management was waiting for the release of more current information about the financial position and internal controls enhancements at Weatherford International, as

well as the settlement reached between Transocean and the U.S. government with respect to the Gulf of Mexico accident in 2010. Management believed this investment delay was appropriate given the potential (and hard to value) downside investment risk.

Management believed that its relatively cautious stance also was appropriate given the lack of evidence in Europe of a real economic recovery as the broad money supply continued to grow slowly during the year. European financial institutions had borrowed heavily from the European Central Bank, but had not used those funds to add liquidity to the markets, in the form of loans, and instead used those funds to retire part of their term debt and to acquire government bonds. Economic indicators continued to paint a bleak picture for the Eurozone, with even the core countries hurt by weakening confidence surveys as well as subdued economic growth.

The Swiss economy, however, was more resilient to this challenging macro-economic environment than most of the Eurozone countries. Inflows of capital and people into the country provided support to domestic sectors like construction and public and private sector services. The strength of the Swiss economy in general does not necessarily translate into a strong stock market as the domestic sector is very small, however, domestic interest rates and the value of the Swiss franc, which are influenced by the strength of the economy, do affect stock prices. Because of the activity of the Swiss National Bank (the SNB) in the foreign

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Letter to Stockholders (continued)

exchange market, additional liquidity was created pushing up financial assets prices, including the Swiss stock market and Swiss real estate prices.

The healthy state of Switzerland's public finances continued to create massive support for the Swiss franc last year, especially as other economies continued to struggle. To alleviate pressures placed on the export sector and prevent domestic deflation, the SNB had anchored the exchange rate of the Swiss franc to 1.2 against the euro. As the results of its intervention in the currency markets throughout 2012, the reserves of the SNB reached CHF 427 billion, representing the fifth largest foreign exchange reserves in the world, reaching four times the SNB's pre-2008 reserves (70% of GDP and 85% of the SNB's balance sheet). As the SNB faced no tangible pressure from inflation, it maintained this monetary policy throughout the year and, as a result, the Swiss franc appreciated by 3.8% against the U.S. dollar in 2012.

The SNB's policy added a massive amount of liquidity to the domestic economy and, for example, interest rates on 10-year Swiss government bonds went from 0.7% at the beginning of January to 0.35% in December. By the end of the fourth quarter, major Swiss banks, like UBS and Credit Suisse, announced that they would charge negative interest rates to institutions keeping large cash balances in Swiss franc deposits with them.

*Important Issuer Developments in the Second Half of 2012 and Portfolio Repositioning*

Overall, third quarter growth in Swiss gross domestic product (GDP) surprised positively, rising 0.6% on a quarter-over-quarter basis and 1.4% year-over-year. This was the fastest pace of growth since 2010, and was driven primarily by private and public consumption. Export of goods also contributed positively, while the export of services and fixed investments detracted slightly from GDP growth. A rise in production and order backlogs, as well as falling inventories, support expectations of a further rise in production into 2013.

Starting in early October, with the release of the third quarter results showing underlying sustained improvement in many sectors and especially for the large banks, Management increased substantially the Fund's exposure to the financial sector. The Fund established a large position in Swiss Life based on the low historical valuation of the company and more evidence that Swiss Life's management was committed to increasing the company's return on equity through cost savings and growing low capital consumption activities in its fee business. In addition, the company's market valuation did not reflect the fact that Swiss Life was able to maintain positive investment margins. Swiss Life also benefited from some relaxation of its regulatory regime (Solvency II) and from a reduction of technical rates.



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Letter to Stockholders (continued)

Management also increased the Fund's exposure to Credit Suisse, as an underlying improvement in the company's cost to income ratio and stronger levels of revenues in its investment bank (despite a reduction of risk weighted assets) were reported. Credit Suisse remains committed to its investment banking business, and its return on equity should benefit from additional cost savings of CHF 1 billion. Increased risk appetite among clients should improve Credit Suisse's gross margin in private banking, where profitability had been under pressure due to an increased mix of onshore, lower margin business. With more vibrant capital markets, Credit Suisse should benefit from positive operating leverage.

The Fund also increased its exposure to UBS during the fourth quarter of 2012. With the announcement of its third quarter results, UBS committed to reduce the size of its investment bank, a business area where, except for equity and foreign exchange, UBS was lacking critical mass. Wealth management showed better results than expected and increased investments by UBS in its world leading wealth management franchise also were announced. This reallocation of capital had an instant positive reevaluation effect on UBS's shares by reducing the cost of the equity capital of the firm. Despite a fine of CHF 1.4 billion for its part in the London Interbank Offered Rate (LIBOR) manipulation scandal, UBS is aiming for a 2013-2014 return on equity in the mid-single-digits, while targeting a return on equity of above 15% from 2015 onwards. An important element of the

Fund's investment strategy is corporate culture. Under the stewardship of its chairman, Alex Weber, UBS is clearly addressing its shortcomings and working to better align its interests with those of its managers and shareholders.

As a result of the increase in allocations to the financial sector later in the year, the Fund was able to capture part of the upside in UBS and Credit Suisse, even though the stocks had started rallying strongly since the lows of June. Management does not believe the rally in UBS and Credit Swiss has run its course.

*Relative Contributors and Detractors to Performance Sectors and Issuers*

Overall, the sector that contributed the most to the Fund's performance in 2012 (10.87% in Swiss francs; 13.26% in U.S. dollars) was the healthcare sector, followed by the consumer staples sector and the financial sector. Contribution analysis takes into account each sector's size and return, and healthcare and consumer staples are heavily weighted in the major Swiss indexes. The financial sector was the second main contributor to the positive returns of the Swiss Performance Index (the SPI) in 2012. The Fund, however, lost about 1.5% in relative returns compared to the SPI due to the Fund's underweighting in that sector in the early part of the summer. Although the Fund materially increased its exposure to that sector later in the fall, it was not able to overweight the sector in relation to the SPI due to

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Letter to Stockholders (continued)

regulatory investment limitations on its ability to invest in banks and other companies in securities-related businesses.

At the individual company level, Roche followed by Nestle and Novartis were the biggest positive contributors to the Swiss market returns due to their size and their respective performance of 20.57%, 14.25% and 11.83% (in Swiss francs). However, only Roche outperformed the market as it continues to deliver on its strategy of protecting its oncology franchise against the risk of generic competition. Roche showed much more resilience to pricing pressure in the industry than its peers. In addition, efforts by the generic drug industry to produce generic biologics saw serious setbacks, either for technical reasons or because of a lack of clarity in the pathway to approval of those drugs. Roche's pipeline also is showing a lot of breath with good inroads in newer areas (for example central nervous system diseases like Alzheimer's), with several interesting programs in phase II trials.

Nestle continued to deliver strong internal growth despite coming in below expectations in the third quarter due to a series of one-offs and lower pricing. Nestle's management reiterated its guidance of 5% to 6% internal growth and increases in operating margins. Nestle's competitive strength in emerging markets continues to be the differentiating factor for the company. Volatility in commodity prices will continue to be a risk factor, but more in terms of top sales development, as the company usually is able

to pass on input cost inflation with price increases, although this often results in a drop in volume growth.

The Fund and the SPI both benefitted from exposure to Zurich and Swiss Re. These companies saw their stocks appreciate by 23.09% and 45.22%, respectively, in 2012 (in Swiss francs). Swiss Re had the second best performance in the large capitalization category after Compagnie Financiere Richemont in the luxury goods sector.

One of the most volatile sectors with large capitalization companies was the consumer discretionary sector. Richemont's stock, after a strong start in 2012, came down on fears of excess inventory in the sales channel. Investors were expecting that the stellar growth of that sector finally would slow down, reducing company valuations. With its third quarter results, Richemont defied those expectations, but by then the stock had already rebounded by 38.0%.

The material sector, including Syngenta (crop protection and seeds) and Holcim (cement) contributed positively almost as much as the financial sector to the performance of the Fund and the SPI. Syngenta's agri-business continues to perform strongly during the year on the back of increasing prices of agricultural commodities, as bad weather negatively affected the supply of corn, wheat and soybeans in many regions of the globe. Syngenta also benefitted from internal improvements, reaping the benefit of years of investment in the seeds business. Its

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Letter to Stockholders (continued)

seeds business margins are on the way up as production is reaching critical mass, especially in the emerging markets. Skeptics which argued that pricing and margins in the crop protection business would be severely affected by generic competition have been proven wrong, as generic competition has remained largely a local phenomenon and has not been able to compete effectively at the global level.

In the construction sector, Management has been encouraged by initiatives taken by Holcim's new senior management. The recurring theme of reallocation of capital away from lines of business not earning their cost of capital also is at play here. The company not only announced large cost savings programs but also its intention to reduce capital expenditures and, in particular, to shut down capacity in Europe. As most of the other large players in the industry are following the same path, improved guidelines for return on capital are developing which should be rewarded by higher valuations in 2013.

In 2012, the main relative negative contributor to the Fund's performance compared to the SPI, was the Fund's allocation to private equity. The Fund's total investment in its two limited partnership holdings, Aravis Biotech II, LP and Zurmont Madison Private Equity, LP, represented 3.56% of the Fund's net assets at year-end, while the Fund's illiquid direct investments represented 3.33% of its net assets as of the same date. In comparison, the SPI has a zero weighting for non-publicly traded securities, including any

private equity investments. In addition, in an upmarket, valuations and prices for securities that are not publicly traded, such as the Fund's private equity investments, tend not to be revised upward at the same time or by the same amounts as publicly-traded securities. This was the case for the Fund's private equity investments in 2012, which created a drag on the Fund's performance relative to the SPI, which returned 17.72% (in Swiss francs).

Overall, 2012 was a year of expansion of market valuation on the back of more controlled macro-economic risks. Switzerland also benefited from a very low interest rate environment and massive inflows of liquidity from abroad. In U.S. dollar terms, the Swiss market, in the recovery environment of 2012, did as well as the Eurozone (the Euro Stoxx 50 index), despite having already significantly outperformed Europe in 2011.

*Expectations for 2013*

*Economic and Monetary Expectations*

The Swiss franc has been experiencing some weakness against the euro as a result of better economic prospects for the European Union. Fundamental support, however, continues to exist for a strong Swiss franc as the labor market remains strong and private consumption should remain strong in 2013 despite a slight pick-up in the unemployment rate. While the disinflationary effects of exchange rate moves are easing and inflation should move back above zero over the coming months, little inflation pressure is expected on the horizon. Providing the

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Letter to Stockholders (continued)

sovereign debt crisis in the Eurozone remains under control and the global economy gradually returns to firmer ground, the Swiss economy could regain momentum during the next two years according to the Federal Government's Expert Group, which anticipates moderate GDP growth for 2013 (+1.3%) that could strengthen further in 2014 (+2.0%).

A weaker Swiss franc would favor industrial companies as they would be in a stronger competitive position in the export markets. In comparison, a stronger Swiss franc would help the valuation of stable growth companies with already well-entrenched competitive positioning. The overall comparative strength of the Swiss franc will depend more on Eurozone developments than on Swiss economic fundamentals. The Swiss franc remains a safe haven investment and, as a result, has a strong tendency to become quite overvalued during periods of market turmoil.

At the start of 2013, investors continued to overweight fixed-income investments and underweight equities. Europe should do better at the margins with less pressure from fiscal contraction as the peripheral Eurozone countries have, for the most part, closed their budget gaps. Broad monetary supply has also finally started to expand. Asia also is resuming its growth trend. The Chinese economy is in a period of transition and capital control should absorb potential shocks from bad debt in the banking system. The United States should benefit from a housing and manufacturing revival and a lower defi-

cit as a percentage of its GDP as economic growth accelerates. With better economic performance, lower deflation risk and favorable valuation, equities should benefit as investors rotate out of bonds. 2012 was a year of high correlations and valuation expansion for the equity markets. Management expects 2013 to be more of a stock pickers' market with lower correlation. A more mature bull market should favor companies in value and turnaround situations. Recovery and turnaround investment themes will be helped by pent-up investor demand in several sectors of the U.S. and European economies. Low level of inventories, historically depressed capital expenditures and housing spending (as a percentage of GDP) provide an attractive environment for reacceleration of economic activity once confidence returns. Of course, risks to the equity markets remain, including the ongoing threat of inflation, a potential sell-off in the bond markets, the removal of central bank quantitative easing policies and currency volatility.

*Portfolio Expectations and Investment Strategy*

In terms of the Fund's more recent portfolio positioning, healthcare is still by far the largest allocation, representing close to 30% of the Fund's net assets, with industrials, materials (chemicals and construction materials), consumer staples and financials (including banks and insurance) each also having significant allocations of approximately 13% to 18% of the Fund's net assets. Overall, the Fund is now more aggressively weighted towards economic recovery as compared to the main Swiss indices.

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THE SWISS HELVETIA FUND, INC.

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Letter to Stockholders (continued)

Management has identified several cases of recovery, including companies with undervalued growth estimates, within the Swiss market and is seeking to position the Fund to benefit from those opportunities.

The Fund also continues to maintain exposure to high-quality engineering companies, including Oerlikon, Sulzer, Burckhardt Compression and Schindler. A dominant investment theme in the industrial sector has been the increase in returns on invested capital coming from accelerating service revenues as a percentage of total revenues coming from the installed client base of Swiss manufacturers. The energy equipment and services sector also has performed better recently and, as a result the Fund has increased its exposure to that sector, primarily through larger investments in Weatherford and Transocean. On the other hand, the Fund had reduced its exposure to companies in certain defensive sectors like food and industrial services (e.g., SGS and Givaudan) due to relatively high valuations. Non-life insurance companies also are facing similar issues and Management is more cautious on the potential for that sector to deliver meaningful outperformance in 2013 after such strong performance in 2012. The convergence of lower expenses, historically low claim ratios and very favorable prior years' reserve releases is likely a thing of the past. Dividend yield is supportive, but better performance is expected elsewhere in the market.

As Management continues to re-position the Fund's portfolio, it is focusing on cyclical companies with expected returns that depend more on company-specific, not macro-economic, risk. These companies would benefit from additional improvement in the global economy, but it is not a necessary condition to outperformance. Management has dedicated significant time and effort to enhance its fundamental analysis of individual portfolio holdings and to improving its research platform, which should prove to be fruitful in an environment where macro-economic factors are less important drivers of stock returns.

Sincerely,

Alexandre de Takacsy

*President*

Rudolf Millisits

*Chief Executive Officer*

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 THE SWISS HELVETIA FUND, INC.
 

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## Letter to Stockholders (continued)

**Indices Performance Comparison**

**Year to Date  
January 1, 2012  
through  
December 31,  
2012**

**Performance in Swiss Francs**

Swiss Performance Index (SPI)	17.72%
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## Swiss Helvetia Fund

Based on Net Asset Value	10.87%
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<b>Change in U.S. Dollar vs. Swiss Franc</b>	<b>-2.11%</b>
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**Performance in U.S. Dollars****Swiss Helvetia Fund Performance**

Based on Net Asset Value	13.26%
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Based on Market Price	14.17%
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S & P 500 Index	16.00%
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MSCI EAFE Index	17.90%
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Lipper European Fund Index (10 Largest)	20.64%
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Lipper European Fund Universe Average	22.24%
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Sources: Bloomberg, Lipper, Morningstar and Citi Fund Services Ohio, Inc.

## THE SWISS HELVETIA FUND, INC.

## Letter to Stockholders (continued)

Peer Group/Indices Performance Comparison in Swiss Francs<sup>1</sup>

	Total return as of year ended December 31						
	2012	2011	2010	2009	2008	2007	2006
Swiss Helvetia Fund	10.87%	-11.14%	7.64%	-5.05%	-28.19%	-2.67%	20.56%
Swiss Performance Index (SPI)	17.72%	-7.72%	2.92%	23.18%	-34.05%	-0.05%	20.67%
Swiss Market Index (SMI)	14.93%	-7.77%	-1.68%	18.27%	-34.77%	-3.43%	15.85%
iShares MSCI Switzerland <sup>2</sup>	19.28%	-7.60%	3.24%	18.55%	-31.59%	-0.97%	20.02%
CS EF (CH) Swiss Blue Chips <sup>3</sup>	17.24%	-9.74%	1.51%	19.98%	-35.72%	-1.66%	18.78%
UBS (CH) Equity Fund <sup>4</sup>	14.64%	-10.40%	2.18%	22.44%	-33.76%	-2.55%	18.98%
Pictet (CH) Swiss Equities <sup>5</sup>	20.10%	-10.50%	2.07%	27.00%	-36.50%	1.94%	19.37%
Saraswiss (Bank Sarasin) <sup>6</sup>	17.70%	-9.66%	3.71%	18.62%	-34.87%	-2.86%	18.69%

Sources : Bloomberg, management companies' websites and Citi Fund Services Ohio, Inc.

<sup>1</sup> Performance of funds is based on changes in each fund's NAV over a specified period. In each case total return is calculated assuming reinvestment of all distributions. Funds listed, other than iShares MSCI Switzerland, are not registered with the Securities and Exchange Commission, are not offered for sale in the United States and are not subject to the same regulatory and investment restrictions as the Fund. Performance and descriptive information about the funds are derived from their published investor reports and websites, which are subject to change.

<sup>2</sup> Shares of iShares MSCI Switzerland, an open-end exchange-traded fund (ETF), are traded on the NYSE Arca. The fund seeks to provide investment results that correspond to the performance of the Swiss market, as measured by the MSCI Switzerland Index. The index represents Switzerland's largest and most established public companies, accounting for approximately 85% of the market capitalization of all Switzerland's publicly traded stocks. Performance of shares of iShares MSCI Switzerland is calculated based upon the closing prices of the period indicated using the Swiss franc/U.S. dollar exchange rate as of noon each such date, as reported by Bloomberg. Such exchange rates were as follows: 12/31/97 = 1.46, 12/31/98 = 1.38, 12/31/99 = 1.60, 12/31/00 = 1.61, 12/31/01 = 1.67, 12/31/02 = 1.39, 12/31/03 = 1.24, 12/31/04 = 1.14, 12/31/05 = 1.32, 12/31/06 = 1.22, 12/31/07 = 1.13, 12/31/08 = 1.06, 12/31/09 = 1.03, 12/31/10 = 0.93, 12/31/11 = 0.94, 12/31/12 = 0.92

<sup>3</sup> This fund gives investors access to the Swiss equity market. It has a broadly-diversified portfolio geared to the long-term value growth, with a preference to large cap stocks. Stock selection is based on criteria such as company valuation, business climate, market positioning and management quality.

<sup>4</sup> This fund invests primarily in major Swiss companies. Quality criteria used for determining relative weightings of companies include: strategic orientation, strength of market position, quality of management, soundness of earnings, growth potential and potential for improving shareholder value. The investment objective seeks to provide results that are aligned with the SPI performance.

<sup>5</sup> This fund invests in shares of companies listed in Switzerland and included in the SPI, mainly in blue chip stocks.

<sup>6</sup> This fund invests in shares of Swiss companies. It weights individual sectors relative to the SPI on the basis of their expected relative performance. It focuses on liquid blue-chip stocks.

Past performance is no guarantee of future results.

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 THE SWISS HELVETIA FUND, INC.
 

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## Letter to Stockholders (concluded)

<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>Cumulative Performance 1/1/97-12/31/12</b>
33.20%	7.75%	22.54%	-20.40%	-22.91%	14.06%	14.70%	15.57%	53.99%	113.19%
35.61%	6.89%	22.06%	-25.95%	-22.03%	11.91%	11.69%	15.36%	55.19%	150.41%
33.21%	3.74%	18.51%	-27.84%	-21.11%	7.47%	5.71%	14.28%	58.93%	73.04%
32.45%	6.34%	19.14%	-26.23%	-23.12%	7.75%	12.22%	11.74%	47.79%	108.43%
32.27%	2.75%	18.13%	-28.75%	-22.12%	10.97%	7.57%	14.21%	59.90%	87.93%
33.50%	5.00%	18.14%	-26.02%	-22.04%	7.42%	6.43%	12.75%	55.94%	89.49%
37.06%	7.05%	20.10%	-27.93%	-22.35%	7.34%	9.38%	11.05%	55.65%	115.47%
33.05%	2.93%	19.64%	-28.51%	-24.45%	9.72%	7.10%	14.41%	53.57%	79.47%



## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Directors

The following tables set forth certain information about each person currently serving as a Director of the Fund, including his or her beneficial ownership of Common Stock of the Fund. All information presented in the tables is as of December 31, 2012. Information is presented separately with respect to Directors who have been determined to be non-interested Directors and Directors who are interested Directors under the Investment Company Act of 1940, as amended.

*Class I Non-Interested Directors  
(Terms will Expire in 2013)*

<b>Name, Address &amp; Age</b>	<b>Position(s) with Fund (Since)</b>	<b>Principal Occupation(s) During at Least the Past Five Years</b>	<b>Other Directorships Held by Director During at Least the Past Five Years</b>	<b>Shares and Dollar Range of Common Stock Beneficially Owned<sup>1</sup></b>
Claude W. Frey  HCC  1270 Avenue of the Americas  Suite 400  New York, New York 10020  Age: 69	Director (1995); and Member of the Governance/ Nominating Committee (2002) and the Audit Committee (2012)	President of the Swiss Parliament from 1994 to 1995; President of the Swiss Police Academy (Neuchâtel) from 1996 to 2003; Member of the Swiss Parliament from 1979 to 2003; Parliamentary Assembly of the Council of Europe (Strasbourg) from 1996 to 2004; Executive Board of the North-South Centre (Lisbon) since 1999; President of the National Committee for Foreign Affairs from 2001 to 2003; Vice President of the National Committee for Foreign Affairs from 1999 to 2001; Chairman of the Board: Bérun Frais SA (Marin) from 2002 to 2012; Federation of Swiss Food Industries (Berne) from 1991 to 2001; Association of Swiss Chocolate Manufacturers (Berne) from 1991 to 2000; Vice Chairman of the Board: Federation of Swiss Employers Association (Zurich) from 1997 to 2001	Chairman of the Board: Infra Tunnel SA (Marin); Beton Frais SA (Marin); Member of the Board: SCCM SA (Crans-Montana); Banque Internationale à Luxembourg (Suisse) SA, Zurich since 2003, Vice Chairman of Board since 2009; Chairman of the Executive Board of the North-South Centre (Lisbon); Chairman of the Federal Committee for Employee Pension Plans (Berne); Chairman of the Advisory Board of International Swiss State Broadcast since 2009; President of the Steering Committee of InterNutrition (Zurich) from 2000 to 2008; Dexia Public Finance (Suisse) Geneva from 2006 to 2010; Racemark Industries SA (Suisse) Couvet from 2006 to 2010	5,086  \$50,001-\$100,000

## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Directors (continued)

Name, Address & Age	Position(s) with Fund (Since)	Class I Non-Interested Directors (Terms will Expire in 2013)		Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years	Other Directorships Held By Director During at Least the Past Five Years	
Jean-Marc Boillat  HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020  Age: 70	Director (2005); Member (2005) and Chair (2011) of the Governance/ Nominating Committee; and Member of the Pricing Committee (2009 to 2011 and since 2012)	Former CEO, Tornos-Bechler S.A., Moutier; Former Ambassador of Switzerland in various countries, including Lebanon, Cyprus, Angola, Mozambique and Argentina	None	3,000  \$10,001-\$50,000
R. Clark Hooper  HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020  Age: 66	Director (2007); Member (2007) and Chair (2009) of the Audit Committee; and Member of the Governance/ Nominating Committee (2007)	President of Dumbarton Group LLC (regulatory consulting) from 2003 to 2007; Various positions, including Executive Vice President of Regulatory Policy and Oversight (2002-2003) and Strategic Programs (1992-2002) of the National Association of Securities Dealers, Inc. (currently, Financial Industry Regulatory Authority, Inc.) from 1972 to 2003	Director of certain funds in the American Funds fund complex (67 funds) since 2003; Director of JP Morgan Value Opportunities Fund since 2005; Member of the Executive Committee and Board of Trustees of Hollins University (VA) and of Children's Hospital of Philadelphia (PA)	1,386  \$10,001-\$50,000

## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Directors (continued)

Name, Address & Age	Position(s) with Fund (Since)	Class II Non-Interested Directors (Terms will Expire in 2014)		Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years	Other Directorships Held by Director During at Least the Past Five Years	
Samuel B. Witt, III, Esq.  HCC 1270 Avenue of the Americas  Suite 400  New York, New York 10020	Director (1987) and Chairman of the Board of Directors (2006); and Member of the Governance/ Nominating Committee (2002)	Samuel B. Witt, III, Attorney-at-Law, since August 1993	Trustee of The Williamsburg Investment Trust (11 funds)	5,968 \$50,001-\$100,000
Age: 77 Claus Helbig  HCC 1270 Avenue of the Americas  Suite 400  New York, New York 10020	Director (2008); and Member of the Governance/ Nominating Committee (2008), the Audit Committee (2009) and the Pricing Committee (2009)	Attorney-at-Law; Member of the Supervisory Board of: Audi AG (Ingolstadt) from 1998 to 2008, Bankhaus August Lenz & Co. AG (Munich) (Chairman) since 2002, GLL Real Estate Partners GmbH (Munich) (Chairman) since 2001, and HCM Capital Management AG (Munich) (Vice-Chairman) from 2004 to 2010; Member of the European Advisory Board of Booz Allen Hamilton from 2003 to 2011; and Member of the Global Advisory Board of Millennium Associates, Zug/CH from 2007 to 2010; Director of Leo Capital Growth SPC (Ireland) since 2007; Director of Soci�t� Horlog�re Reconvilier AG, Zug/Suisse since 2011	None	1,000 \$10,001-\$50,000
Age: 71 Richard Brealey  HCC 1270 Avenue of the Americas  Suite 400  New York, New York 10020	Director (1987 to 1996 and since 2009); Member (2009) and Chair (2012) of the Pricing Committee; and Member of the Governance/ Nominating Committee (2009) and the Audit Committee (2012)	Emeritus Professor London Business School (LBS); Full-time faculty member LBS from 1968 to 1998; Special Advisor to the Governor of the Bank of England 1998-2001	Director of the HSBC Investor Funds from 2004 to 2008	13,788 \$100,001-\$200,000
Age: 76				

## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Directors (continued)

Name, Address & Age	Position(s) with Fund (Since)	Class III Non-Interested Directors (Terms will Expire in 2015)		Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years	Other Directorships Held by Director During at Least the Past Five Years	
Brian A. Berris HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020 Age: 68	Director (2012); and Member of the Governance/ Nominating Committee (2012)	Partner, Brown Brothers Harriman & Co. since 1991; Member of the Audit Committee of Brown Brothers Harriman & Co.; Director and Chairman of the Audit Committee of Brown Brothers Harriman Trust Company (Cayman) Limited; Member of the Pension Investment Committee of Brown Brothers Harriman & Co.	None	5,000 \$50,001-\$100,000
David R. Bock HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020 Age: 69	Director (2010); and Member of the Governance/ Nominating Committee (2010), the Pricing Committee (2010) and the Audit Committee (2012)	Managing Partner, Federal City Capital Advisors since 1997; Interim CEO, Oxford Analytical, January to June 2010; Executive Vice President and Chief Financial Officer of I-trax, Inc. (health care services) from 2004 to 2008; Managing Director of Lehman Brothers from 1992 to 1995; Executive at The World Bank from 1974 to 1992	Director of the Pioneer Funds (53 portfolios) since 2005; Director and Member of the International Advisory Board of Oxford Analytica (political and economic consulting) since 2008; Director of Enterprise Community Investment (private investment company) from 1985 to 2010; Director of New York Mortgage Trust from 2004 to 2008 and since 2012; Director of I-trax, Inc. from 2000 to 2004	4,250 \$50,001-\$100,000

## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Directors (concluded)

Name, Address & Age	Position(s) with Fund (Since)	Class I Interested Director (Term will Expire in 2013)		Other Directorships Held by Director During at Least the Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years			
Alexandre de Takacsy <sup>2</sup> HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020 Age: 83	Director (1987 to 1994 and since 1998); and President (2009)	Vice Chairman of the Board, Director, Secretary and Member of the Investment Committee of HCC; Senior Advisor to the Hottinger Group and President of Hottinger U.S., Inc. ( HUS ) until December 2004; Retired Senior Executive, Royal Bank of Canada		None	1,057 \$10,001-\$50,000
Name, Address & Age	Position(s) with Fund (Since)	Class III Interested Director (Term will Expire in 2015)		Other Directorships Held by Director During at Least the Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years			
Paul Hottinguer <sup>2</sup> HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020 Age: 70	Director (1989)	Vice Chairman of the Board and Director of HCC; AXA International Obligations (finance) since 1996; Managing Director: Intercom (holding company) since 1984; Administrator: Investissement Provence SA (holding company) since 1996; Permanent Representative: Credit Suisse Hottinguer to Provence International (publicly held French mutual fund), Credit Suisse Hottinguer to CS Oblig Euro Souverain (mutual fund); Censor -- Provence Europe (mutual fund); Credit Suisse Hottinguer to PPC; Credit Suisse Hottinguer to Croissance Britannia (investment fund); Credit Suisse Hottinguer to Harwanne Allemagne; General Partner: Hottinger et Cie (Zurich) until December 2007; President: Gaspee (real estate) from 1992 to 2006; Financière Hottinguer (holding company) from 1990 to 2002; Financière Provence Participations (venture capital firm) from 1990 to 2002; Finaxa (finance) from 1982 to 2004; Financière Hottinguer to CS Institutions Monetaire (mutual fund) from 1990 to 2002; Financière Hottinguer to CS Court Terme (mutual fund) from 1990 to 2002		Director of HUS until December 2004	11,433 \$100,001-\$200,000



## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Executive Officers

The following table sets forth certain information about each person currently serving as an Executive Officer of the Fund, including his beneficial ownership of Common Stock of the Fund. All information presented in the table is as of December 31, 2012.

Name, Address & Age	Position(s) with Fund (Since)	<i>Executive Officers</i> <sup>3</sup>		Other Directorships Held by Officer During at Least the Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years			
Rudolf Millisits HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020 Age: 54	Chief Executive Officer (2009); Senior Vice President (2000); and Treasurer and Chief Financial Officer (2002 to 2012)	Chief Executive Officer and President (since June 2011), Chief Compliance Officer (since October 2004), Chief Operating Officer (since December 1998), Assistant Secretary (since August 1995) and Portfolio Manager and Member of Investment Committee (since September 1994) of HCC; Chairman, Chief Executive Officer and Director (since December 2004) of HUS; Manager (since 2012), President, Chief Financial Officer and Chief Compliance Officer of Hottinger Brothers LLC (since 2004); Director of Hottinger Investment Managers S.A. (from April 2008 to July 2011); Director of Hottinger Asset Management AG (Zurich) since February 2008		N/A	12,227 \$100,001-\$200,000
Philippe R. Comby, CFA, FRM HCC 1270 Avenue of the Americas Suite 400 New York, New York 10020 Age: 46	Chief Financial Officer (2012) and Vice President (2000)	Senior Vice President (since 2002), Treasurer (since 1997) and Member of Investment Committee (since 1996) of HCC; Manager (since 2012), Chief Investment Officer and Senior Vice President of Hottinger Brothers LLC (since 2004); Director, President and Secretary (since December 2004) and Vice President (until December 2004) of HUS; Director of Spineart SA (since 2011); Director of Hottinger Investment Managers S.A. (from April 2008 to July 2011)		N/A	4,633 \$50,001-\$100,000
James Downey Citi Fund Services 100 Summer Street 15th Floor Boston, Massachusetts 02110 Age: 42	Secretary (2011)	Assistant Vice President and Product Manager, Citi Fund Services Ohio, Inc. (since January 2007)		N/A	None





## THE SWISS HELVETIA FUND, INC.

## Certain Information Concerning Executive Officers (concluded)

Name, Address & Age	Position(s) with Fund (Since)	<i>Executive Officers</i> <sup>3</sup>		Other Directorships Held by Officer During at Least the Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>1</sup>
		Principal Occupation(s) During at Least the Past Five Years			
Patrick J. Keniston  Foreside Compliance Services, LLC  Three Canal Plaza, Suite 100  Portland, Maine 04101	Chief Compliance Officer (2008)	Director, Foreside Compliance Services since October 2008; Vice President, Citi Fund Services Ohio, Inc. from 2005 to 2008		N/A	None

Age: 48

<sup>1</sup> All Directors and executive officers as a group (14 persons) owned 68,828 shares which constitutes less than 1.00% of the outstanding Common Stock of the Fund. Share numbers in this Annual Report have been rounded to the nearest whole share.

<sup>2</sup> Indicates Interested Person, as defined in the 1940 Act. Alexandre de Takacsy and Paul Hottinguer are Interested Persons because of their current positions with HCC.

<sup>3</sup> Each executive officer serves on a year-to-year basis for an indefinite term, until his successor is elected and qualified.

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THE SWISS HELVETIA FUND, INC.

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Review of Operations

Trading activity for the year ended December 31, 2012 involved changes in the following positions:

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*New Investments by the Fund*

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ABB, Ltd.

Bucher Industries AG

Credit Suisse Group AG

Dufry AG

Holcim, Ltd.

OC Oerlikon Corp. AG

Schindler Holding AG

Sulzer AG

Xstrata PLC

SelFrag AG, Class A, Series D

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*Additions to Existing Investments*

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Actelion

Aravis Biotech II Limited Partnership

Burckhardt Compression Holding AG

Geberit AG

Roche Holding AG

SGS SA

Swiss Life Holding AG

Swiss Re AG

Transocean, Ltd.

Ixodes AG, Series B

Zurmont Madison Limited Partnership

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*Securities Disposed of / Expired*

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Adecco Investment Bond, 6.50%, 11/26/12

Bank Sarasin & Co., Ltd.

Clariant AG

Galenica AG

Georg Fischer AG

Inficon Holding AG

Julius Baer Group, Ltd.

Kaba Holding AG, Series B

Kuehne + Nagel International AG

Sika AG

Swatch Group AG

Zehnder Group AG

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*Reductions in Existing Investments*

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Addex Pharmaceuticals, Ltd.

Adecco SA

Allreal Holding AG

Belimo Holding AG

Compagnie Financiere Richemont SA, Series A

Givaudan SA

Nestle SA

Novartis AG

Syngenta AG

UBS AG

Zurich Financial Services AG

## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments

December 31, 2012

No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks 94.06%</b>			
<b>Banks 9.09%</b>			
744,060	<b>Credit Suisse Group AG<sup>1</sup></b> <i>Registered Shares</i> A global diversified financial service company with significant activity in private banking, investment banking and asset management. (Cost \$17,490,446)	\$ 18,094,473	4.50%
1,184,500	<b>UBS AG<sup>1</sup></b> <i>Registered Shares</i> A global diversified financial service company with significant activity in private banking, investment banking, and asset management. (Cost \$15,762,872)	18,465,958	4.59%
		36,560,431	9.09%
<b>Biotechnology 3.05%</b>			
109,600	<b>Actelion, Ltd.</b> <i>Registered Shares</i> Focuses on the discovery, development and commercialization of treatments to serve critical, unmet medical needs. (Cost \$4,758,616)	5,212,092	1.30%
262,474	<b>Addex Pharmaceuticals, Ltd.<sup>2</sup></b> <i>Registered Shares</i> Discovers and develops allosteric modulators for human health. Focus is on diseases of the central nervous system. (Cost \$11,888,984)	2,749,905	0.68%
No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Biotechnology (continued)</b>			
3,829,302	<b>Biotie Therapies Oyj<sup>2</sup></b> <i>Bearer Shares</i> Develops drugs that treat dependence disorders, inflammatory diseases, and thrombosis. (Cost \$2,118,548)	\$ 2,069,893	0.51%
3,029	<b>NovImmune SA<sup>2,3</sup></b> <i>Common Shares</i> Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost \$1,551,109)	2,243,581	0.56%
		12,275,471	3.05%
<b>Chemicals 6.23%</b>			
4,270	<b>Givaudan SA</b> <i>Registered Shares</i> Manufactures and markets fragrances and flavors from natural and synthetic ingredients. (Cost \$4,144,665)	4,492,282	1.12%

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<b>51,355</b>	<b>Syngenta AG<sup>1</sup></b> <i>Registered Shares</i>	20,567,808	5.11%
	Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$17,233,796)		
		<hr/>	<hr/>
		25,060,090	6.23%

*See Notes to Financial Statements.*

## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments (continued)

December 31, 2012

No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks (continued)</b>			
<b>Construction &amp; Materials 6.79%</b>			
865	<b>Belimo Holding AG</b> <i>Registered Shares</i> World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$577,319)	\$ 1,666,024	0.41%
43,800	<b>Geberit AG</b> <i>Registered Shares</i> Manufactures and supplies water supply pipes and fittings, installation systems, drainage and flushing systems for the commercial and residential construction markets. (Cost \$9,272,718)	9,637,101	2.40%
219,100	<b>Holcim, Ltd.<sup>1</sup></b> <i>Registered Shares</i> One of the largest cement producers worldwide. (Cost \$14,702,046)	16,013,317	3.98%
		27,316,442	6.79%
<b>Energy 1.43%</b>			
130,950	<b>Transocean, Ltd.</b> <i>Registered Shares</i> Owns or operates mobile offshore drilling units, inland drilling barges and other assets utilized in the support of offshore drilling activities worldwide. (Cost \$6,789,456)	5,771,042	1.43%
		5,771,042	1.43%
No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Financial Services 0.43%</b>			
11,200	<b>Allreal Holding AG</b> <i>Registered Shares</i> Develops and manages real estate. Operates as a general contractor offering planning, architect, and construction management services. (Cost \$1,595,545)	\$ 1,726,465	0.43%
		1,726,465	0.43%
<b>Food &amp; Beverages 16.93%</b>			
135	<b>Lindt &amp; Sprungli AG</b> <i>Registered Shares</i> Major manufacturer of premium Swiss chocolates. (Cost \$471,624)	5,090,430	1.27%
968,000	<b>Nestle SA<sup>1</sup></b> <i>Registered Shares</i> Largest food and beverage processing company in the world. (Cost \$14,928,434)	63,028,131	15.66%

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		68,118,561	16.93%
<b>Industrial Goods &amp; Services</b>	<b>11.84%</b>		
<b>199,700</b>	<b>ABB, Ltd.</b>		
	<i>Registered Shares</i>	4,090,648	1.02%
	One of the largest electrical engineering firms in the world. Active in industrial automation and in power transmission and distribution. (Cost \$3,616,159)		

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*See Notes to Financial Statements.*



## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments (continued)

December 31, 2012

No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks (continued)</b>			
<b>Industrial Goods &amp; Services (continued)</b>			
77,600	<b>Adecco SA</b> <i>Registered Shares</i> Supplies personnel and temporary help, and offers permanent placement services for professionals and specialists in a range of occupations. (Cost \$4,124,240)	\$ 4,072,654	1.01%
8,160	<b>Bucher Industries AG</b> <i>Registered Shares</i> Manufactures food processing machinery, vehicles, and hydraulic components. Produces fruit and vegetable juice processing machinery, farming machinery and outdoor equipment. (Cost \$1,616,237)	1,604,632	0.40%
20,730	<b>Burrekhardt Compression Holding AG</b> <i>Registered Shares</i> Produces compressors for oil refining and the chemical and petrochemical industries, industrial gases, and gas transport and storage. (Cost \$5,736,091)	6,794,122	1.69%
872,000	<b>OC Oerlikon Corp. AG</b> <i>Registered Shares</i> Produces industrial equipment to manufacture solar energy modules, place coatings, extract processing gases, manufacture textiles, and transmit power using mechatronic driveline components. (Cost \$9,992,254)	9,859,836	2.45%
No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Industrial Goods &amp; Services (continued)</b>			
46,163	<b>Schindler Holding AG</b> <i>Registered Shares</i> Manufactures, installs, and maintains elevators used in airports, subway stations, railroad terminals, shopping centers, cruise ships, hotels and office buildings. (Cost \$6,416,878)	\$ 6,657,034	1.65%
3,175	<b>SGS SA</b> <i>Registered Shares</i> Provides industrial inspection, analysis, testing, and verification services worldwide. (Cost \$5,816,646)	7,027,421	1.75%
47,800	<b>Sulzer AG</b> <i>Registered Shares</i> Manufactures and sells surface coatings, pumps and process engineering. (Cost \$6,838,554)	7,524,969	1.87%
		47,631,316	11.84%
<b>Insurance 8.49%</b>			
99,300	<b>Swiss Life Holding AG<sup>1</sup></b> <i>Registered Shares</i> Financial services company provides life insurance, institutional investment management, and private banking services. (Cost \$12,951,407)	13,169,847	3.27%

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*See Notes to Financial Statements.*

## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments (continued)

December 31, 2012

No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks (continued)</b>			
<b>Insurance (continued)</b>			
181,392	<b>Swiss Re AG<sup>1</sup></b> <i>Registered Shares</i> Offers reinsurance, insurance and insurance-linked financial market products. (Cost \$10,094,468)	\$ 13,059,194	3.25%
29,775	<b>Zurich Financial Services AG</b> <i>Registered Shares</i> Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost \$6,383,194)	7,917,447	1.97%
		34,146,488	8.49%
<b>Medical Technology 0.86%</b>			
168,000	<b>Kuros Biosurgery AG<sup>2,3</sup></b> <i>Common Shares</i> Develops biomaterials and bioactive biomaterial combination products for trauma, wound and spine indications. (Cost \$2,516,639)	734,146	0.18%
3,731	<b>Spineart SA<sup>2,3</sup></b> <i>Common Shares</i> Designs and markets an innovative full range of spine products, including fusion and motion preservation devices, focusing on easy to implant high-end products to simplify the surgical act. (Cost \$2,623,329)	2,730,944	0.68%
		3,465,090	0.86%
No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Metals &amp; Mining 0.81%</b>			
190,000	<b>Xstrata PLC</b> <i>Common Shares</i> A Diversified mining group, explores for and mines copper, coking coal, thermal coal, ferrochrome, vanadium, zinc, gold, lead and silver. (Cost \$2,811,173)	\$ 3,269,241	0.81%
		3,269,241	0.81%
<b>Personal &amp; Household Goods 3.81%</b>			
196,350	<b>Compagnie Financiere Richemont SA<sup>1</sup></b> <i>Bearer Shares</i> Manufactures and retails luxury goods. Produces jewelry, watches, leather goods, writing instruments, and men's and women's wear. (Cost \$10,931,613)	15,315,879	3.81%
		15,315,879	3.81%
<b>Pharmaceuticals 23.01%</b>			

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572,750

Novartis AG<sup>1</sup>

Registered Shares

35,947,438

8.94%

One of the leading manufacturers of branded and generic pharmaceutical products.  
Manufactures nutrition products.  
(Cost \$7,290,322)

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*See Notes to Financial Statements.*

## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments (continued)

December 31, 2012

No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks (continued)</b>			
<b>Pharmaceuticals (continued)</b>			
281,600	<b>Roche Holding AG<sup>1</sup></b> <i>Non-voting equity securities</i> Develops and manufactures pharmaceutical and diagnostic products. Produces prescription drugs in the area of cardiovascular, infectious, autoimmune and respiratory diseases, dermatology, oncology and other areas. (Cost \$32,240,913)	\$ 56,606,107	14.07%
		92,553,545	23.01%
<b>Retailers 1.29%</b>			
39,620	<b>Dufry AG<sup>2</sup></b> <i>Registered Shares</i> Operates duty-free shops in countries such as Italy, Mexico, France, Russia, the United Arab Emirates, Singapore, the Caribbean and the United States. (Cost \$4,867,845)	5,176,765	1.29%
		5,176,765	1.29%
	<b>Total Common Stocks</b> (Cost \$260,154,140)	378,386,826	94.06%
No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Preferred Stocks 1.91%</b>			
<b>Biotechnology 1.16%</b>			
8,400	<b>Ixodes AG, Series B<sup>2,3</sup></b> <i>Preferred Shares</i> Develops and produces a topical product for the treatment of borreliosis infection and the prevention of Lyme disease after a tick bite. (Cost \$2,252,142)	\$ 2,294,204	0.57%
3,162	<b>NovImmune SA, Series B<sup>2,3</sup></b> <i>Preferred Shares</i> Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost \$2,062,307)	2,342,095	0.59%
		4,636,299	1.16%
<b>Industrial Goods &amp; Services 0.26%</b>			
250,447	<b>SelFrag AG, Class A, Series C<sup>2,3</sup></b> <i>Preferred Shares</i> Designs, manufactures and sells industrial machines and processes using the selective fragmentation technology. (Cost \$1,496,205)	938,475	0.23%
33,197	<b>SelFrag AG, Class A, Series D<sup>2,3</sup></b> <i>Preferred Shares</i> Designs, manufactures and sells industrial machines and processes using the selective fragmentation technology. (Cost \$82,670)	124,396	0.03%

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1,062,871

0.26%

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*See Notes to Financial Statements.*

## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments (continued)

December 31, 2012

No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Preferred Stocks (continued)</b>			
<b>Medical Technology 0.49%</b>			
83,611	<b>EyeSense AG, Series C<sup>2,3,4</sup></b> <i>Preferred Shares</i> A spin-off from Ciba Vision AG. Develops novel ophthalmic self-diagnostic systems for glucose monitoring of diabetes patients. (Cost \$3,007,048)	\$ 1,973,579	0.49%
<b>Total Preferred Stocks</b> (Cost \$8,900,372)		1,973,579	0.49%
		7,672,749	1.91%
<b>Private Equity Limited Partnerships 3.56%</b>			
<b>Biotechnology Venture 0.50%</b>			
	<b>Aravis Biotech II - Limited Partnership<sup>2,3,4</sup></b> (Cost \$2,412,020)	2,001,689	0.50%
No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Private Equity Limited Partnerships (continued)</b>			
<b>Industrial Buy-out 3.06%</b>			
	<b>Zurmont Madison Private Equity, Limited Partnership<sup>2,3,4</sup></b> (Cost \$12,481,353)	\$ 12,319,963	3.06%
<b>Total Private Equity Limited Partnerships</b> (Cost \$14,893,373)		14,321,652	3.56%
<b>Total Investments*</b> (Cost \$283,947,885)		400,381,227	99.53%
<b>Other Assets Less Other Liabilities, net</b>		1,898,335	0.47%
<b>Net Assets</b>		\$ 402,279,562	100.00%

<sup>1</sup> One of the ten largest portfolio holdings.

<sup>2</sup> Non-income producing security.

<sup>3</sup> Illiquid. There is no public market for these securities. Securities priced at Fair Value as determined by the Board's Pricing Committee. These Restricted Securities are not registered under the Securities Act of 1933, as amended. At the end of the period, the aggregate value of these securities amounted to \$27,703,072 or 6.89% of the Fund's net assets. Additional information on these securities is as follows:

Security	Acquisition Date	Acquisition Cost
Aravis Biotech II, LP	July 31, 2007    December 12, 2012	\$ 2,412,020
EyeSense AG Preferred Shares C	July 22, 2010    October 3, 2011	3,007,048
Ixodes AG Preferred Shares B	April 7, 2011    June 1, 2012	2,252,142

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Kuros Biosurgery AG Common Shares	August 10, 2009	August 28, 2009	2,516,639
NovImmune SA Common Shares	October 7, 2009	December 11, 2009	1,551,109
NovImmune SA Preferred Shares B	October 7, 2009	December 11, 2009	2,062,307
SelFrag AG Class A, Preferred Shares C		December 15, 2011	1,496,205
SelFrag AG Class A, Preferred Shares D		September 21, 2012	82,670
Spineart SA Common Shares		December 22, 2010	2,623,329
Zurmont Madison Private Equity, LP	September 13, 2007	June 28, 2012	12,481,353
			\$ 30,484,822

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*See Notes to Financial Statements.*



## THE SWISS HELVETIA FUND, INC.

## Schedule of Investments (concluded)

December 31, 2012

<sup>4</sup> *Affiliated Company. An affiliated company is a company in which the Fund has ownership of at least 5% of the company's outstanding voting securities. Details related to affiliated company holdings are as follows:*

Name of Issuer	Value as of 12/31/11	Gross Additions	Gross Reductions	Income	Value as of 12/31/12
Aravis Biotech II, LP	\$ 2,294,116	\$ 52,473	\$	\$	\$ 2,001,689
EyeSense AG, Series C	2,305,807				1,973,579
Zurmont Madison Private Equity, LP	9,253,396	2,002,968			12,319,963

\* *Cost for Federal income tax purposes is \$283,762,841 and net unrealized appreciation (depreciation) consists of:*

Gross Unrealized Appreciation	\$ 130,780,513
Gross Unrealized Depreciation	(14,162,127)
<b>Net Unrealized Appreciation (Depreciation)</b>	<b>\$ 116,618,386</b>

PLC Public Limited Liability Company

**PORTFOLIO HOLDINGS****% of Net Assets**

Common Stocks	
Pharmaceuticals	23.01%
Food & Beverages	16.93%
Industrial Goods & Services	11.84%
Banks	9.09%
Insurance	8.49%
Construction & Materials	6.79%
Chemicals	6.23%
Personal & Household Goods	3.81%
Biotechnology	3.05%
Energy	1.43%
Retailers	1.29%
Medical Technology	0.86%
Metals & Mining	0.81%
Financial Services	0.43%
Preferred Stocks	
Biotechnology	1.16%
Medical Technology	0.49%
Industrial Goods & Services	0.26%
Private Equity Limited Partnerships	3.56%
Other Assets and Liabilities	0.47%
	<b>100.00%</b>

See Notes to Financial Statements.

## THE SWISS HELVETIA FUND, INC.

## Statement of Assets and Liabilities

December 31, 2012

<b>Assets:</b>	
Unaffiliated investments, at value (cost \$266,047,464)	\$ 384,085,996
Affiliated investments, at value (cost \$17,900,421)	16,295,231
	<u>400,381,227</u>
Total investments at value (cost \$283,947,885)	400,381,227
Cash	387,069
Foreign currency (cost \$735,987)*	736,599
Tax reclaims receivable	1,364,805
Prepaid expenses	26,291
	<u>402,895,991</u>
Total assets	402,895,991
<b>Liabilities:</b>	
Advisory fees payable (Note 2)	260,643
Directors' fees payable	102,208
Other fees payable	253,578
	<u>616,429</u>
Total liabilities	616,429
Net assets	<u>\$ 402,279,562</u>
<b>Composition of Net Assets:</b>	
Paid-in capital	\$ 283,409,539
Distributable earnings	
Accumulated net investment income	1,994,533
Accumulated net realized gain from investment and foreign currency transactions	454,540
Net unrealized appreciation on investments and foreign currency	116,420,950
	<u>118,870,023</u>
Total earnings	118,870,023
Net assets	<u>\$ 402,279,562</u>
<b>Net Asset Value Per Share:</b>	
(\$402,279,562 / 30,969,245 shares outstanding, \$0.001 par value; 50 million shares authorized)	<u>\$ 12.99</u>

\* Consists of 646,119 Swiss francs, 5,326 euros and 14,584 British pounds.  
See Notes to Financial Statements.

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 THE SWISS HELVETIA FUND, INC.
 

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## Statement of Operations

For the Year Ended December 31, 2012

**Investment Income:**

Dividends (less foreign tax withheld of \$1,234,179)	\$ 10,141,732
Interest	275,156

Total income	<u>10,416,888</u>
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**Expenses:**

Investment advisory fees (Note 2)	2,957,379
Directors' fees & expenses	895,729
Professional fees	660,817
Administration fees	273,277
Custody fees	93,003
Printing and shareholder reports	93,812
Accounting fees	105,566
Transfer agent fees	30,910
Compliance service fees	72,000
Insurance	76,385
Miscellaneous	183,848

Total expenses	<u>5,442,726</u>
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Net investment income	<u>4,974,162</u>
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**Realized and Unrealized Gain (Loss) on Investments and Foreign Currency:**

Net realized gain (loss) from:	
Investment transactions	1,522,811
Foreign currency transactions	(358,095)
Net change in unrealized appreciation/depreciation from:	
Investments	41,863,570
Foreign currency translations	205,436

Net Realized and Unrealized Gain on Investments and Foreign Currency	<u>43,233,722</u>
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<b>Net Increase in Net Assets from Operations</b>	<b><u>\$ 48,207,884</u></b>
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See Notes to Financial Statements.

## THE SWISS HELVETIA FUND, INC.

## Statements of Changes in Net Assets

	For the Year Ended December 31, 2012	For the Year Ended December 31, 2011
<b>Increase (Decrease) in Net Assets:</b>		
<b>Operations:</b>		
Net investment income	\$ 4,974,162	\$ 5,209,728
Net realized gain (loss) from:		
Investment transactions	1,522,811	33,871,957
Foreign currency transactions	(358,095)	505,389
Net change in unrealized appreciation/depreciation from:		
Investments	41,863,570	(92,640,138)
Foreign currency translations	205,436	(686,711)
	<u>48,207,884</u>	<u>(53,739,775)</u>
Net increase (decrease) in net assets from operations		
<b>Distributions to Stockholders from:</b>		
Net investment income and net realized gain from foreign currency transactions	(1,951,063)	(5,326,571)
Net realized capital gain	(185,815)	(53,140,650)
	<u>(2,136,878)</u>	<u>(58,467,221)</u>
Total distributions to stockholders		
<b>Capital Share Transactions:</b>		
Value of shares issued in reinvestment of dividends and distributions	12,344,320	17,832,469
Value of shares repurchased through stock buyback		(4,878,986)
Value of shares repurchased through tender offer		(24,191,371)
	<u>12,344,320</u>	<u>(11,237,888)</u>
Total increase (decrease) from capital share transactions		
Total increase (decrease) in net assets	58,415,326	(123,444,884)
<b>Net Assets:</b>		
Beginning of year	343,864,236	467,309,120
End of year (including accumulated net investment income (loss) of \$1,994,533 and \$(657,420) respectively)	<u>\$ 402,279,562</u>	<u>\$ 343,864,236</u>

See Notes to Financial Statements.

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THE SWISS HELVETIA FUND, INC.

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Financial Highlights

	For the Years Ended December 31,				
	2012	2011	2010	2009	2008
<b>Per Share Operating Performance:</b>					
Net asset value at the beginning of year	\$ 11.54	\$ 15.42	\$ 13.39	\$ 14.45	\$ 19.34