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SWISS HELVETIA FUND INC

Form N-30B-2

May 26, 2004

THE SWISS HELVETIA FUND, INC.

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Directors and Officers

Paul Hottinguer  
CHAIRMAN

Eric R. Gabus+  
VICE CHAIRMAN (NON OFFICER)

Paul R. Brenner, Esq.  
DIRECTOR

Alexandre de Takacsy  
DIRECTOR

Claude Frey  
DIRECTOR

Baron Hottinger  
DIRECTOR

Claude Mosseri-Marlio  
DIRECTOR

Didier Pineau-Valencienne\*  
DIRECTOR

Stephen K. West, Esq.\*  
DIRECTOR

Samuel B. Witt III, Esq.\*\*  
DIRECTOR

Rodolphe E. Hottinger  
PRESIDENT  
CHIEF EXECUTIVE OFFICER

Rudolf Millisits  
SENIOR VICE PRESIDENT  
TREASURER

Philippe Comby  
VICE PRESIDENT

Edward J. Veilleux  
VICE PRESIDENT  
SECRETARY

Leslie K. Klenk  
ASSISTANT SECRETARY

Frederick Skillin  
ASSISTANT TREASURER

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\* Audit Committee member                      + Governance Committee  
\*\* Audit Committee chairman                      chairman

INVESTMENT ADVISOR  
Hottinger Capital Corp.  
1270 Avenue of the Americas, Suite 400  
New York, New York 10020  
(212) 332-7930

ADMINISTRATOR  
Forum Administrative Services, LLC  
(member of Citigroup Global Transaction Services)

CUSTODIAN  
Swiss American Securities Inc.

TRANSFER AGENT  
American Stock Transfer & Trust Company  
59 Maiden Lane  
Plaza Level  
New York, New York 10038

LEGAL COUNSEL  
Stroock & Stroock & Lavan LLP

INDEPENDENT AUDITORS

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Deloitte & Touche LLP

The Investment Advisor

The Swiss Helvetia Fund, Inc. (the "Fund") is managed by Hottinger Capital Corp., which belongs to the Hottinger Group.

The Hottinger Group dates back to Banque Hottinguer, which was formed in Paris in 1786 and is one of Europe's oldest private banking firms. The Hottinger Group has remained under the control of the Hottinger family through seven generations. It has offices in New York, Zurich, Luxembourg, Toronto, Geneva, Vienna, London, and the Bahamas.

### EXECUTIVE OFFICES

The Swiss Helvetia Fund, Inc.  
1270 Avenue of the Americas, Suite 400  
New York, New York 10020 1-888-SWISS-00  
(1-888-794-7700)  
(212) 332-2760

### FOR INQUIRIES AND REPORTS:

1-888-SWISS-00 (1-888-794-7700)  
Fax (212) 332-7931  
email: swz@swz.com

### WEBSITE ADDRESS

<http://www.swz.com>

### The Fund

The Swiss Helvetia Fund, Inc. 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, listed on the New York Stock Exchange under the symbol "SWZ," is managed by Hottinger Capital Corp.

The Fund has earned the Lipper, Inc. award for ranking number one among Western European closed-end funds in ten year performance for the periods ended December 31, 2002, 2001, 2000, 1999, and 1998. The Fund had previously been recognized for its top one year performance in the same category for the year 2000. The Fund also was given Morningstar's overall rating of four stars as of March 31, 2004. Of course, past performance is no guarantee of future results. See page 3 for more information.

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. Weekly Net Asset Value is also published 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

GLOBAL MARKET OVERVIEW

The economic data released for the end of 2003 showed positive economic

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growth for most countries, especially the U.S. and Japan. U.S. real Gross Domestic Product ("GDP") grew at an annualized rate of 4.1% in the fourth quarter of last year thanks to private consumption and exports, which benefited from the dollar's decline against most currencies. In Japan real GDP expanded in the fourth quarter at an annualized rate of 7%, its highest growth since 1990, largely due to strong demand from China. Europe's GDP rose by a weak annualized rate of 1.2% in the fourth quarter mainly due to moderate exports.

During the first quarter, stock markets were a little sluggish, even though economic data was good and earnings releases were positive. The markets have been trading sideways as fundamentals catch up with valuations. In addition geopolitical risk and interest rate risk needed to be factored into the market after the wave of optimism shown by investors at the beginning of the year. In many regards the quarter under review has been the direct opposite of the same period last year. In the U. S., the quarter saw a modest increase of 1.69% for the S&P 500 and a decrease of 0.45% in the NASDAQ. In Switzerland, the Swiss Market Index ("SMI") increased by 2.38% for the quarter, while in Japan the Nikkei average led global markets with a strong 9.7% increase.

### SWISS ECONOMIC NOTES

At its quarterly assessment as of March 18, 2004, the Swiss National Bank ("SNB") decided to leave the target range for the three-month LIBOR unchanged at 0.00% -- 0.75%. For the time being, the three-month LIBOR is to be kept at around 0.25%. The SNB continues to adhere to its expansionary monetary policy in view of the modest potential for inflation and its desire to continue to support the economic recovery in Switzerland.

The interest rate on the 10-year Confederation bond decreased from 2.90% at the beginning of the year to 2.36% in the middle of March and finished the quarter at 2.60%.

GDP has been increasing the last three quarters (+ 0.5% in the fourth quarter of 2003), leading to an increase in real GDP at an annualized rate of 1.8%. The main stimuli came from exports and a pick up in domestic demand in the fourth quarter.

The unemployment rate decreased in each of the last three months and reached a rate of 4.1% in March in comparison to 4.3% in January. This decrease in unemployment rate, together with modest gains in the consumer confidence index, is likely to support growth in private consumption, which, so far, has remained slow.

The SNB anticipates economic growth of 1.5% -- 2.0% for 2004 and an average annual inflation rate of 0.4% this year, 1.0% in 2005 and 2.3% in 2006.

### SWISS MARKET REVIEW AND FUND PERFORMANCE

The Swiss market performed well during the first quarter as measured in local currency,

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with increases of 2.38% in the SMI and 3.44% in the Swiss Performance Index ("SPI"). In U.S. dollar terms, however, the SMI decreased by 0.05% and the SPI increased by 0.99%.

The Fund underperformed the SPI by 0.94%, mainly due to its continuing cautious stance on the financial sector.

The Fund maintained, for the period ended March 31, 2004, an overall rating of four stars from Morningstar.\* The Fund also received Lipper, Inc.'s top ranking for Western European closed-end funds in ten-year performance for the period ended December 31, 2002.\*\* Past performance is no guarantee of future results.

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YEAR TO DATE	
DECEMBER 31, 2003	
THROUGH	
MARCH 31, 2004	
-----	
PERFORMANCE IN SWISS FRANCS	
Swiss Performance Index (SPI)	3.44%
-----	
Swiss Helvetia Fund	
-----	
Based on Net Asset Value in Swiss Francs	2.50%
-----	
CHANGE IN U. S. DOLLAR VS. SWISS FRANC	2.43%
-----	
SWISS HELVETIA FUND PERFORMANCE	
IN U. S. DOLLARS	
-----	
Based on Market Price	1.78%
-----	
Based on Net Asset Value	0.07%
-----	
S & P 500 Index	1.69%
-----	
MSCI EAFE Index	4.34%
-----	
Lipper European Fund Index (10 Largest)	2.22%
-----	
Lipper European Fund Universe Average	2.05%
-----	

\*Morningstar is an independent fund performance monitor. Its ratings reflect historic risk-adjusted performance and may change monthly. Its ratings of one (low) and five (high) stars are based on a fund's three- and five-year average annual total returns with fee adjustments, and a risk factor that reflects fund performance relative to three-month Treasury Bill monthly returns. Only 33% of the funds in an investment category may receive four of five stars. As of March 31, 2004, there were 11 funds in the Fund's asset category rated by Morningstar.

\*\*Lipper, Inc. is an independent fund performance monitor. As of December 31, 2003, there were 8 funds in the Lipper Western European closed-end funds category, which is comprised of funds that concentrate their investments in equity securities whose primary trading markets or operations are in the Western European region or a single country within this region.

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### COMMENTS ON THE CURRENCY

U.S. DOLLAR: The U.S. dollar stayed at low levels against all major currencies during the first part of the quarter and started to appreciate in mid-February. During the quarter it increased by more than 2% against the euro and the Swiss franc and, until mid-March, by more than 4% against the Japanese yen.

SWISS FRANC: The Swiss franc was relatively strong against all major currencies except the U.S. dollar. In mid-March it reached 1.55 against the euro and 2.30 against the pound sterling.

EURO: During the first quarter, the European Central Bank ("ECB") decided to

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### THE SWISS HELVETIA FUND, INC.

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Letter to Stockholders (continued)

leave interest rates unchanged despite the fact that a strong euro in 2003 hurt the performance of export industries. The outlook for price stability continues to be favorable and low interest rates support economic recovery in the euro area. Moreover, the ECB is willing to have a low euro in order to be able to compete with the low U.S. dollar.

### OUTLOOK

Barring a major geopolitical event, management is relatively optimistic regarding 2004. However, market action since February has broken 2003's momentum and earnings will have to be strong to support valuations and higher interest rates. The Fund's stance is currently more defensive. Management increased the Fund's weighting in the insurance sector in anticipation of lower claims during a period of modest capacity utilization and average GDP growth (both of which Management expects). In addition, the underwriting cycle has been stronger than expected. Even though pricing power has peaked, premiums have stayed high enough both to insure good profitability and to fund any needed increases in reserves without negatively affecting consensus earnings estimates. The passage to higher interest rates in the U.S. could hurt the performance of financial stocks in the short-term. However, more normal yield levels will benefit the insurance stocks in the medium-term, improving investment returns and margins on most product lines.

### STOCK REPURCHASE PROGRAM

Pursuant to authorization by the Board, the Fund began open market purchases of its common stock on the New York Stock Exchange in 1999 and has continued purchases in each subsequent year. The principal purpose of the stock repurchase program is to enhance stockholder value by increasing the Fund's net asset value per share without creating a meaningful adverse effect upon the Fund's expense ratio and realizing capital gains in order to fund the repurchases. The Board has authorized the purchase of up to 500,000 shares in 2004. The Fund did not repurchase any of its shares during the first quarter.

Sincerely,

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/s/ Paul Hottinguer

Paul Hottinguer

CHAIRMAN

/s/ Rodolphe Hottinger

Rodolphe Hottinger

PRESIDENT AND CHIEF EXECUTIVE OFFICER

March 31st, 2004

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THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (concluded)

PEER GROUP/INDICES PERFORMANCE COMPARISON IN SWISS FRANCS(1)

	YTD AS OF 3/31/04	YEAR ENDED DECEMBER 31,						
		2003	2002	2001	2000	1999	1998	1997
SWISS HELVETIA FUND	2.50%	22.54%	(20.40)%	(22.91)%	14.06%	14.70%	15.57%	53.9%
Swiss Performance Index (SPI)	3.44%	22.06%	(25.95)%	(22.03)%	11.91%	11.69%	15.36%	55.1%
Swiss Market Index (SMI)	2.38%	18.51%	(27.84)%	(21.11)%	7.47%	5.71%	14.28%	58.9%
Switzerland iShares(2) (Formerly called Webs Switzerland)	2.99%	19.14%	(26.23)%	(23.12)%	7.75%	12.22%	11.74%	47.7%
CS Equity Swiss Blue Chips(3, 7)	2.06%	18.13%	(28.75)%	(22.12)%	10.97%	7.57%	14.21%	59.9%
UBS Equity Inv. Switzerland(4, 7)	3.40%	18.14%	(26.02)%	(22.04)%	7.42%	6.43%	12.75%	55.9%
Pictet Valsuisse(5, 7)	3.20%	20.10%	(27.93)%	(22.35)%	7.34%	9.38%	11.05%	55.6%
Saraswiss (Bank Sarasin)(6, 7)	2.21%	19.64%	(28.51)%	(24.45)%	9.72%	7.10%	14.41%	53.5%

1 PERFORMANCE OF FUNDS IS BASED ON CHANGES IN THE FUND'S NAV OVER A SPECIFIED PERIOD. IN EACH CASE TOTAL RETURN IS CALCULATED ASSUMING REINVESTMENT OF ALL DISTRIBUTIONS. FUNDS LISTED, OTHER THAN SWITZERLAND ISHARES, ARE NOT REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. PERFORMANCE AND DESCRIPTIVE

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INFORMATION ABOUT THE FUNDS ARE DERIVED FROM THEIR PUBLISHED INVESTOR REPORTS AND WEBSITES, WHICH ARE SUBJECT TO CHANGE.

2 SWITZERLAND ISHARES ARE TRADED ON THE NEW YORK STOCK EXCHANGE AND INVEST IN MOST OF THE SAME STOCKS LISTED IN THE MORGAN STANLEY CAPITAL INTERNATIONAL (SWITZERLAND) INDEX. THESE STOCKS REPRESENT SWITZERLAND'S LARGEST AND MOST ESTABLISHED PUBLIC COMPANIES, ACCOUNTING FOR APPROXIMATELY 85% OF THE MARKET CAPITALIZATION OF ALL OF SWITZERLAND'S PUBLICLY TRADED STOCKS. PERFORMANCE OF ISHARES IS CALCULATED BASED UPON THE DECEMBER 31 CLOSING PRICES EACH YEAR 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: 12/31/96 = 1.35, 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, AND 3/31/04 = 1.27.

3 THIS FUND INVESTS IN EQUITIES ISSUED BY LEADING SWISS COMPANIES. STOCK SELECTION IS BASED ON ECONOMIC, SECTOR AND COMPANY ANALYSES. PREFERENCE IS GIVEN TO LARGE-CAP COMPANIES.

4 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.

5 THIS FUND INVESTS IN SHARES OF SWISS COMPANIES LISTED ON THE SWISS STOCK EXCHANGE (SWX) AND INCLUDED IN THE SPI.

6 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.

7 THESE FUNDS ARE NOT AVAILABLE FOR U.S. RESIDENTS OR CITIZENS.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited)

March 31, 2004

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- 93.70%			
BANKS -- 12.03%			
350,000	CREDIT SUISSE GROUP(2) REGISTERED SHARES A global operating financial group. (Cost \$9,516,917)	\$ 12,128,508	3.28%





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chemical ingredients,  
intermediaries, and  
biotechnology solutions to the  
pharmaceutical and  
agrochemical industries.  
(Cost \$1,535,111)

16,783	SIKA AG BEARER SHARES	8,213,648	2.22%
	Leading producer of construction chemicals. (Cost \$4,237,473)		
192,931	SYNGENTA AG(2) REGISTERED SHARES	14,071,772	3.81%
	Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$12,234,006)		
		-----	-----
		23,816,383	6.45%

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) (continued)

March 31, 2004

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- (CONTINUED)			
CONSTRUCTION -- 4.54%			
20,758	GEBERIT AG REGISTERED SHARES	\$ 11,404,324	3.09%
	Manufactures and supplies water supply pipes and fittings, installation systems, drainage and flushing systems such as visible cisterns, and other sanitary systems for the commercial and residential construction markets. (Cost \$7,721,250)		
100,000	HOLCIM LTD. REGISTERED SHARES	5,347,910	1.45%
	Produces and markets various		

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building materials, in addition to providing consulting and engineering services in all areas of the cement manufacturing process.  
(Cost \$4,641,188)

No. of Shares	Security	Value	Percent of Net Assets
		16,752,234	4.54%
FOOD & BEVERAGES -- 15.11%			
300	LINDT & SPRUNGLI AG REGISTERED SHARES Major manufacturer of premium Swiss chocolates. (Cost \$1,196,399)	3,013,380	0.82%
207,000	NESTLE AG(2) REGISTERED SHARES Largest food and beverage processing company in the world. (Cost \$12,427,540)	52,777,361	14.29%
		55,790,741	15.11%
HEALTH CARE -- 28.23%			
1,315,000	NOVARTIS AG(2) REGISTERED SHARES One of the leading manufacturers of pharmaceutical and nutrition products. (Cost \$16,301,451)	\$ 55,844,812	15.12%
306,409	PHONAK HOLDING AG REGISTERED SHARES Designs and produces wireless analog and digital hearing aids, transmitters, remote controls, microphones and receivers for use in wireless communications within broadcasting and sports. (Cost \$3,226,748)	7,376,938	2.00%
420,000	ROCHE HOLDING AG(2) DIVIDENDS RIGHTS CERTIFICATES Worldwide pharmaceutical company. (Cost \$8,467,363)	41,026,957	11.11%
		104,248,707	28.23%
INDUSTRIAL GOODS & SERVICES -- 7.41%			

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1,924,725	ABB LTD. (1) REGISTERED SHARES The holding company for ABB Group which is one of the largest electrical engineering firms in the world. (Cost \$7,367,303)	11,349,170	3.07%
55,000	ADECCO SA(1) REGISTERED SHARES Leading personnel and temporary employment company. (Cost \$1,638,903)	3,039,034	0.82%

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) (continued)

March 31, 2004

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- (CONTINUED)			
INDUSTRIAL GOODS & SERVICES -- (CONTINUED)			
2,055	BELIMO HOLDING AG REGISTERED SHARES World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$450,523)	\$ 965,169	0.26%
4,500	KABA HOLDINGS AG BEARER SHARES Provides mechanical and electronic security systems. (Cost \$809,667)	835,636	0.23%
53,000	KUEHNE & NAGEL INTERNATIONAL AG REGISTERED SHARES Operates sea freight, land and rail transportation businesses and warehousing and distribution facilities. (Cost \$2,734,725)	7,520,030	2.04%
6,598	SGS SOCIETE GENERALE DE SURVEILLANCE HOLDING SA REGISTERED SHARES Provides a variety of	3,661,360	0.99%

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industrial inspection,  
analysis, testing and  
verification services  
worldwide.  
(Cost \$1,709,324)

-----  
27,370,399      7.41%

No. of Shares	Security	Value	Percent of Net Assets
-----			
INSURANCE -- 9.14%			
27,377	CONVERIUM HOLDING AG REGISTERED SHARES Offers reinsurance services worldwide. Provides accident and health, automobile, aviation and space, credit and surety, general third party liability, engineering, e-commerce, intellectual property, life, marine, professional liability and property, and catastrophe insurance. (Cost \$1,260,992)	\$ 1,339,838	0.36%
234,924	SWISS REINSURANCE COMPANY(1,2) REGISTERED SHARES Second largest reinsurance company in the world. (Cost \$16,575,214)	16,188,866	4.39%
102,849	ZURICH FINANCIAL SERVICES AG (1,2) REGISTERED SHARES Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost \$17,099,830)	16,216,669	4.39%
		-----	-----
		33,745,373	9.14%
RETAILERS -- 2.42%			
78,018	CHARLES VOEGELE HOLDING AG(1) BEARER SHARES Family apparel retailer which focuses on the value-for-money segment of the market. Operates retail stores in Switzerland, Germany, Austria, and the Benelux region. (Cost \$2,344,330)	5,234,661	1.42%

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) (concluded)

March 31, 2004

No. of Shares	Security	Value	Percent of Net Assets
COMMON STOCKS -- (CONTINUED)			
RETAILERS -- (CONTINUED)			
24,767	GALENICA HOLDING AG REGISTERED SHARES Manufactures and distributes prescription and over-the-counter drugs, toiletries and hygiene products. (Cost \$3,158,881)	\$ 3,699,850	1.00%
		8,934,511	2.42%
TECHNOLOGY -- 4.65%			
35,230	HUBER & SUHNER AG REGISTERED SHARES Manufactures a wide range of products, extending from cables for energy and electrical submission to special products such as rubber. (Cost \$2,032,890)	2,031,457	0.55%
272,765	LOGITECH INTERNATIONAL SA(1,2) REGISTERED SHARES Manufactures personal computer input devices, as well as producing trackballs, desktop publishing programs and related software. (Cost \$9,769,349)	12,369,538	3.35%
24,180	MICRONAS SEMICONDUCTOR HOLDING AG (1) REGISTERED SHARES Develops and manufactures a wide range of semiconductors and modules used by the automotive and consumer goods industries. (Cost \$520,759)	1,143,294	0.31%

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No. of Shares	Security	Value	Percent of Net Assets
TECHNOLOGY -- (CONTINUED)			
207,012	TEMENOS GROUP AG(1) REGISTERED SHARES	\$ 1,609,558	0.44%
	Provides integrated software for the banking sector. Develops, distributes, implements, and supports its process-oriented real-time enterprise software designed for the management of administrative tasks in Europe, North America, Asia, and the Middle East. (Cost \$1,466,606)		
		-----	-----
		17,153,847	4.65%
	TOTAL COMMON STOCKS (Cost \$167,251,608)	\$345,991,034	93.70%
	OTHER ASSETS IN EXCESS OF LIABILITIES	23,270,528	6.30%
		-----	-----
	NET ASSETS	\$369,261,562	100.00%
		=====	=====

- (1) NON-INCOME PRODUCING SECURITY  
(2) ONE OF THE TEN LARGEST PORTFOLIO HOLDINGS.

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THE SWISS HELVETIA FUND, INC.

Dividend Reinvestment Plan

THE PLAN

The Fund's Dividend Reinvestment Plan (the "Plan") offers a convenient way for you to reinvest your capital gains distributions and ordinary income dividends in additional shares of the Fund.

Some of the Plan features are:

- Once you enroll in the Plan, all of your future distributions and dividends payable in whole or in part in cash will be automatically reinvested in Fund shares.
- You will receive shares valued at the lower of the Fund's net asset

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value or the Fund's market price as described below. The entire amount of your distribution or dividend will be reinvested automatically in additional Fund shares. For any balance that is insufficient to purchase full shares of the Fund, your account will be credited with fractional shares.

- Your shares will be held in an account with the Plan agent. You will be sent regular statements for your records.
- You may terminate participation in the Plan at any time.

The following are answers to frequently asked questions about the Plan.

### HOW DO I ENROLL IN THE PLAN?

If you are holding certificates for your shares, contact American Stock Transfer & Trust Company (AST) at the address shown below. If your shares are held in a brokerage account, contact your broker. Not all brokerage firms permit their clients to participate in dividend reinvestment plans such as the Plan and, even if your brokerage firm does permit participation, you may not be able to transfer your Plan shares to another broker who does not permit participation. Your brokerage firm will be able to advise you about its policies.

### HOW DOES THE PLAN WORK?

Any dividends or distributions you receive will be reinvested in shares of the Fund. The number of shares credited to your Plan account as a result of the reinvestment will depend upon the relationship between the Fund's market price and its net asset value per share on the record date of the distribution or dividend, as described below:

- If the net asset value is greater than the market price (the Fund is trading at a discount), AST as Plan Agent, will buy Fund shares for your account on the open market on the New York Stock Exchange or elsewhere. Your dividends or distributions will be reinvested at the average price AST pays for those purchases.
- If the net asset value is equal to the market price (the Fund is trading at parity), the Fund will issue for your account new shares at net asset value.
- If the net asset value is less than but within 95% of the market price (the Fund is trading at a premium of less than 5%), the Fund will issue for your account new shares at net asset value.
- If the net asset value is less than 95% of the market price (the Fund is trading at a premium of 5% or more), the Fund will issue for your account new shares at 95% of the market price.

If AST begins to buy Fund shares for your account at a discount to net asset value but, during the course of the purchases, the Fund's market

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### Dividend Reinvestment Plan (concluded)

price increases to a level above the net asset value, AST will complete its purchases, even though the result may be that the average price paid for the purchases exceeds net asset value.

### WILL THE ENTIRE AMOUNT OF MY DISTRIBUTION OR DIVIDEND BE REINVESTED?

The entire amount of your distribution or dividend will be reinvested in additional Fund shares. If a balance remains after the purchase of whole shares, your account will be credited with any fractional shares (rounded to three decimal places) necessary to complete the reinvestment.

### HOW CAN I SELL MY SHARES?

You can sell any or all of the shares in your Plan account by contacting AST. AST charges \$15 for the transaction plus \$.10 per share for this service. You can also withdraw your shares from your Plan account and sell them through your broker.

### DOES PARTICIPATION IN THE PLAN CHANGE THE TAX STATUS OF MY DISTRIBUTIONS OR DIVIDENDS?

No. The distributions and dividends are paid in cash and their taxability is the same as it would be if you received the cash. It is only after the payment that AST reinvests the cash for your account.

### HOW CAN I GET CERTIFICATES FOR THE SHARES IN THE PLAN?

AST will issue certificates for whole shares upon your request. Certificates for fractional shares will not be issued.

### IS THERE ANY CHARGE TO PARTICIPATE IN THE PLAN?

There is no charge to participate in the Plan. You will, however, pay a pro rata share of brokerage commissions incurred with respect to AST's open market purchases of shares for your Plan account.

### HOW CAN I DISCONTINUE MY PARTICIPATION IN THE PLAN?

Contact your broker or AST in writing. If your shares are in a Plan account, AST will send you a certificate for your whole shares and a check for any fractional shares.

### WHERE CAN I DIRECT MY QUESTIONS AND CORRESPONDENCE?

Contact your broker, or contact AST as follows:

#### By mail:

American Stock Transfer & Trust Company  
PO Box 922  
Wall Street Station  
New York, New York 10269-0560

#### Through the Internet:

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

Through AST's automated voice response system: 1-888-556-0425

AST will furnish you with a copy of the Terms and Conditions of the Plan without charge.



A SWISS  
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THE SWISS

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HELVETIA

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FUND, INC.

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

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QUARTERLY REPORT  
FOR THE  
PERIOD ENDED  
MARCH 31, 2004