

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

SWISS HELVETIA FUND, INC.  
Form N-CSRS  
August 31, 2007

-----  
As filed with the Securities and Exchange Commission on August 31, 2007

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, New York 10020  
1-888-SWISS-00

Rodolphe E. Hottinger, President  
Hottinger et Cie  
3 Place des Bergues  
C.P. 395  
CH-1201 Geneva  
Switzerland

Date of fiscal year end: December 31

Date of reporting period: January 1, 2007 - June 30, 2007  
-----

ITEM 1. REPORT TO STOCKHOLDERS

THE SWISS HELVETIA FUND, INC.  
-----

Directors and Officers

Samuel B. Witt III, Esq.  
CHAIRMAN (NON-EXECUTIVE)  
Jean-Marc Boillat  
DIRECTOR  
Paul R. Brenner, Esq./1/  
DIRECTOR  
Alexandre de Takacsy  
DIRECTOR

Eric R. Gabus  
DIRECTOR EMERITUS  
Baron Hottinger  
DIRECTOR EMERITUS  
Rodolphe E. Hottinger  
PRESIDENT  
CHIEF EXECUTIVE OFFICER  
Rudolf Millisits

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Claude Frey	SENIOR VICE PRESIDENT
DIRECTOR	CHIEF FINANCIAL OFFICER
R. Clark Hooper	Philippe R. Comby,
DIRECTOR	CFA, FRM
Paul Hottinguer	VICE PRESIDENT
DIRECTOR	Edward J. Veilleux
Michael Kraynak, Jr./2/	VICE PRESIDENT
DIRECTOR	SECRETARY
Didier Pineau-Valencienne/2,3/	Scot E. Draeger
DIRECTOR	ASSISTANT SECRETARY
Stephen K. West, Esq./2/	Glen Fougere
DIRECTOR	ASSISTANT TREASURER
	Peter R. Guarino, Esq.
	CHIEF COMPLIANCE OFFICER

-----  
/1/AUDIT COMMITTEE CHAIRMAN  
/2/AUDIT COMMITTEE MEMBER

/3/GOVERNANCE/NOMINATING COMMITTEE CHAIRMAN

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

ADMINISTRATOR  
Citigroup Fund Services, LLC

CUSTODIAN  
Citibank, N.A.

TRANSFER AGENT  
American Stock Transfer & Trust Company  
59 Maiden Lane  
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 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 the Bahamas, Basel, Geneva, London, Lugano, Luxembourg, New York, Sion, Toronto, Vienna and Zurich.

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)

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Fax: (212) 332-7931  
email: swz@swz.com

WEBSITE ADDRESS  
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.

1

THE SWISS HELVETIA FUND, INC.

---

### Letter to Stockholders

#### MARKET OVERVIEW

Substantially all equity indices finished the first half of the year with positive results, with emerging markets and the Eurozone registering double digit returns.

Liquidity in the global equity markets continued to be created by emerging market central banks, which maintain massive foreign reserves. These monetary policies will continue to help support global equity markets, with global economic growth expected to stay around 5%.

The continued strength of mergers and acquisitions (M&A) activity helped a majority of the markets. Private equity firms have been heavy contributors to this activity, accounting for 20% of the total M&A volume in 2006.

However, the first half of the year saw an increase in volatility, especially in March, on the back of higher interest rates and a combination of higher inflation expectations coupled with strong economic growth in Asia and in Europe. China also has added to market volatility, but with mitigated damage because of the small size of its domestic equity market. High beta assets such as emerging market equities, small capitalization stocks and cyclical industrial companies continued to be the star performers for the first half of 2007. A possible deterioration of the credit cycle continues to loom as investors, searching for yields, continue to underprice risk in certain structured finance products.

#### SWISS MARKET OVERVIEW

During the first half of 2007, the continuous strength of the industrial, biotechnology, food and luxury goods sectors allowed the Swiss Performance Index (SPI) to increase by 8.01% in US dollar terms, outperforming the Standard & Poor's 500 average which returned 6.96%.

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Year-to-date stock market performance across continental Europe varied. Germany clearly outperformed the rest of the pack, while Switzerland was somewhat higher than the average. The SPI return was however also held back by the strong influence of the pharmaceutical and financial sectors.

The pharmaceutical industry subdued performance was due to pricing pressure resulting from the production and sale of generic products, (especially from companies in emerging markets who are becoming increasingly aggressive in their intellectual property challenges), and from the lack of innovative new products. The industry, in general, has been too conservative in drug research and development, overemphasizing different versions of existing products and over relying on marketing and distribution. Novartis, to some extent, is impacted by these problems. Roche, on the other hand, is harvesting the fruits of a more focused approach, benefiting from the strength of its oncology franchise with Genentech and building up momentum in inflammatory and autoimmune diseases. Novartis, with its generics division, and Roche, with its diagnostic business, are also developing strategies against the commoditization of branded pharmaceuticals.

2

THE SWISS HELVETIA FUND, INC.

---

Letter to Stockholders (continued)

The mid and small cap companies in the bio-pharmaceutical sector, in sharp contrast to traditional large cap companies, performed quite well as they continued to develop and market highly promising drugs.

The financial sector in Switzerland is benefiting from strength in the private banking and alternative asset management businesses. Performance in the investment banking business, however, varied from bank to bank. Credit Suisse has been doing reasonably well in this area while UBS has been struggling to catch up to its competition and be in the top tier.

The Swiss industrial sector has been very active with excellent performance in 2007. The energy infrastructure, energy production (including renewable energy), industrial and agricultural machinery sectors were all very strong, and the backdrop for these sectors remains positive. Europe, being the largest trading partner with 62% of exports (including 20% to Germany), is an important contributor to this performance. For the first time in 15 years, European growth in domestic demand is outpacing that of the United States. European growth in non-residential investment has strongly accelerated since mid- 2005 to a pace not seen since 2000. Germany's recovery is an important factor to European growth; as it emerges from a period of deflation and sees its total rate of investment increase after bottoming out at an all time low in 2005. This trend is likely to continue given the large percentage of companies still owned by the government and likely to get privatized.

Performance in the Swiss utilities sector varied as the development in wholesale prices for electricity and CO<sub>2</sub>/ rights was less favorable than in the recent past. While the trend favoring strong pricing is still intact, investors will continue to be concerned by the lack of visibility in government policies pertaining to the environment for new investments.

Top performing stocks for the first half of the year either had high betas

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

or were involved in M&A activity. The out-performance of small companies was evident in the 25% return of the SPI Small Companies Index, as compared to the 6% return of the SPI Large Companies Index. The best sectors were Oil & Gas (with Petroplus up 70%), and Retail (with Jelmoli, although much more a real estate player, up 59%, and Galenica up 33%).

### SWISS ECONOMIC NOTES

At its last monetary policy assessment of June 14, 2007, the Swiss National Bank (SNB) raised the target range for the three-month Libor by 25 basis points to 2.00-3.00%. The Swiss economy developed even better than expected during the last quarter. (Swiss economic growth accelerated by 0.8% versus consensus of 0.6%). The strongest contributors were household consumption (+0.7%) and exports (+1.6%). Business activity is near a historic peak. (The Purchasing Manager Index is at 62.8 versus its peak of 67.7). Capacity utilization rates are high and employment growth is strong. (The unemployment rate is now at 2.7%). The KOF Swiss economic institute leading economic

3

### THE SWISS HELVETIA FUND, INC.

---

Letter to Stockholders (continued)

indicator of business has increased every month this year starting at 1.74 on December 29, 2006 and finishing the first six months of 2007 at 1.98. The consumer confidence indicator has also increased steadily reaching 20 (up from two in December 2005). Given the healthy economic situation, the SNB increased its forecast for real GDP growth from 2% to 2.5% for the whole year.

Due to a renewed rise in oil prices, stronger than expected economic performance and the pressure on the Swiss franc, exercised in part by the carry trade (funding investment in high yielding currencies by borrowing in low yielding currencies), the SNB has increased its inflation projection to 0.8% for 2007 (up from 0.5%); to 1.5% for 2008 (up from 1.4%); and to 1.7% for 2009 (up from 1.6%). With the current high level of capacity utilization, and the resulting upside bias to wages, there is some likelihood that production costs will be passed on to consumers. However, this may be offset by an increase in productivity as a result of an accelerated pace of investment in infrastructure.

Despite continuing increases in short term interest rates, the yield curve is not flattening, because long term rates also are increasing in response to the positive economic outlook. The yield on the ten year bond was at 2.5% on December 29, 2006 and finished at 3.2% on June 29, 2007.

The euro has remained very strong against the Swiss franc, supported by higher nominal yields. This currency backdrop continues to help Swiss exports to the Eurozone. The US dollar was especially volatile during the second quarter. In April, it reached an intermediate low point of 1.19 Swiss francs in reaction to a report of disappointing US existing homes sales but rebounded later to 1.24 and ended the second quarter at 1.22.

Despite some improvement in the overall trade balance, the US dollar continues on its path of weakness. Investors expect interest rate differentials to narrow between Europe (including Switzerland) and the United States. The high level of mortgage debt is having a deflationary impact on real estate prices in the United States and therefore consumer spending is under pressure. In this context, there is the increased probability that the Federal Reserve

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Board's next move will be to cut interest rates. On the other side, the current level of activity in Europe appears to be sustainable as domestic demand supported by real wage increases is becoming the second engine of growth after exports.

### FUND PERFORMANCE

Prior to the expiration of the fund's rights offering at the end of the quarter, the fund's performance was slightly ahead of the SPI. Its relative performance was helped by its underweight in Novartis and UBS, but hurt by its underweight in Nestle and industrial companies and its overweight in utilities and Actelion (which was about flat for the first six months after very good performance in 2006).

Management's approach of trying to minimize market risk (for example the exposure to macro factors such as the global

4

### THE SWISS HELVETIA FUND, INC.

---

Letter to Stockholders (continued)

economic cycle and M&A activity) combined with a search for company specific triggers in its investment choices has led to under-exposing the fund to the sector that benefited the most from the economic upswing. Since the tide of global growth has lifted all boats, this selectivity has not yet paid off. Management expects that more difficult economic conditions and a little less liquidity in the stock markets, will force investors to discriminate more in the positions they take, and that should help validate the fund's investment approach.

### SWISS MARKET QUARTERLY CORPORATE NEWS

SWX (Swiss stock exchange group), SIS (clearing specialist group) and Telekurs (financial data group) announced on May 15, 2007 plans to merge into and under a single holding company. The transaction is expected to take effect in early 2008. These three groups are complementary. The main drivers of the combination are to strengthen Switzerland's financial market infrastructure, thereby making it a competitive global player, and heighten efficiency and innovation across the entire value chain. This open multi-provider architecture should afford unhindered access to possibilities for international collaboration, enabling the three groups to realize joint projects more rapidly and to be more internationally anchored.

Credit Suisse and UBS would be holders of approximately 1/3 of the share capital of the new holding company. The proposal remains to be accepted by the shareholders at extraordinary general meetings of the three groups. We see this as positive news for the Swiss market.

### CORPORATE NEWS

On May 29, 2007, Jelmoli sold its household electronics and multimedia unit, Fust, to the Swiss Coop Group for 900 million Swiss francs. Pending regulatory approval, this sale confirms Jelmoli's strategy to extract value by focusing on real estate as its sole business.

On June 18, 2007, Adecco announced that it will acquire Tuja Group of Germany for a total of 800 million euros. This acquisition should significantly increase Adecco's market position in Germany, where the job market has been

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

improving significantly with the unemployment rate declining from 12% in March 2005 to 9.1% in June 2007.

On June 26, 2007, Roche launched an unsolicited offer for all outstanding shares of Ventana Medical systems for \$75.00 per share in cash (\$3 billion). Ventana is the leader in histopathology (tissue-based diagnostics). This should help Roche build a strong position in cancer diagnostics, an area where Roche has not had much previous exposure.

On June 26, 2007, Galenica's iron replacement product, Ferinject, was approved by the European Union. It has been submitted for approval in Switzerland and the US, where such approval is expected later this year.

5

### THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

#### PEER GROUP/INDICES PERFORMANCE COMPARISON IN SWISS FRANCS

	TOTAL RETURN YTD AS OF 6/30/07	TOTAL RETURN AS OF YEAR ENDED DECEMBER 31							
		2006	2005	2004	2003	2002	2001	2000	1999
SWISS HELVETIA FUND	2.47%	20.56%	33.20%	7.75%	22.54%	-20.40%	-22.91%	14.06%	14.70%
Swiss Performance Index (SPI)	8.44%	20.67%	35.61%	6.89%	22.06%	-25.95%	-22.03%	11.91%	11.69%
Swiss Market Index (SMI)	4.82%	15.85%	33.21%	3.74%	18.51%	-27.84%	-21.11%	7.47%	5.71%
iShares MSCI Switzzlerland/2 / (Formerly called Webs Switzerland)	7.09%	20.02%	32.45%	6.34%	19.14%	-26.23%	-23.12%	7.75%	12.22%
CS EF Swiss Blue Chips/3,7/	7.46%	18.78%	32.27%	2.75%	18.13%	-28.75%	-22.12%	10.97%	7.57%
UBS (CH) Equity Fund/4,7/	7.38%	18.98%	33.50%	5.00%	18.14%	-26.02%	-22.04%	7.42%	6.43%
Pictet (CH) -- Swiss Equities/5,7/	9.59%	19.37%	37.06%	7.05%	20.10%	-27.93%	-22.35%	7.34%	9.38%
Saraswiss (Bank Sarasin)/6,7/	7.16%	18.69%	33.05%	2.93%	19.64%	-28.51%	-24.45%	9.72%	7.10%

SOURCES : BLOOMBERG, MANAGEMENT COMPANIES' WEBSITES AND CITIGROUP FUND SERVICES.  
 /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 ISHARES MSCI SWITZERLAND, ARE NOT REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. PERFORMANCE AND DESCRIPTIVE INFORMATION ABOUT THE FUNDS ARE DERIVED FROM THEIR PUBLISHED INVESTOR REPORTS AND WEBSITES, WHICH ARE SUBJECT TO CHANGE.  
 /2/ SHARES OF ISHARES MSCI SWITZERLAND ARE TRADED ON THE NEW YORK STOCK EXCHANGE AND SEEKS TO PROVIDE INVESTMENT RESULTS THAT CORRESPOND TO THE PERFORMANCE OF THE SWISS MARKET, AS MEASURED BY THE MSCI SWITZERLAND INDEX.

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

THESE STOCKS REPRESENT 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: 12/31/96 = 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, 12/31/03 = 1.24, 12/31/04 = 1.14 12/31/05=1.32, 12/31/06=1.22, AND 6/30/07=1.23.

/3/ 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.

/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 COMPANIES LISTED IN SWITZERLAND AND INCLUDED IN THE SPI, MAINLY IN BLUE CHIP STOCKS.

/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.

6

### THE SWISS HELVETIA FUND, INC.

-----  
 Letter to Stockholders (concluded)

	YEAR TO DATE DECEMBER 31, 2006 THROUGH JUNE 30, 2007
-----	
PERFORMANCE IN SWISS FRANCS	
Swiss Performance Index (SPI)	8.44%
Swiss Helvetia Fund	
Based on Net Asset Value	2.47%/(1)/
CHANGE IN U. S. DOLLAR VS. SWISS FRANC	0.40%
PERFORMANCE IN U.S. DOLLARS	
SWISS HELVETIA FUND PERFORMANCE	
Based on Net Asset Value	2.06%/(2)/
Based on Market Price	-4.28%
S & P 500 Index	6.96%
MSCI EAFE Index	10.74%
Lipper European Fund Index (10 Largest)	13.78%
Lipper European Fund Universe Average	12.06%



Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

SOURCES: CITIGROUP FUND SERVICES, LLC AND BLOOMBERG  
/(1)/ NOT INCLUDING THE RIGHTS OFFERING DILUTION THE NAV PERFORMANCE AS OF  
6/30/07 WAS 9.28% IN SWISS FRANC TERMS.  
/(2)/ NOT INCLUDING THE RIGHTS OFFERING DILUTION THE NAV PERFORMANCE AS OF  
6/30/07 WAS 8.85% IN US DOLLAR TERMS.

OUTLOOK

We believe the Swiss market continues to have upside potential. The recent performance of the Swiss market has eliminated most of the premium to the rest of Europe that the market had built up over the preceding four years, pushing multiples towards the low end of the range during that period. Moreover, in comparison to companies in Europe and the US, the balance sheets of Swiss corporations are historically overcapitalized and have become even more so during the last four years. Investors are increasing pressure on companies to buy back shares, increase leverage and/or participate in the global M&A market.

Management's recent visits to private and public companies and its discussions with venture capitalists and private equity investors have confirmed its view of Switzerland as a center of innovation and entrepreneurship with leadership in financial, engineering, machinery, new energy (solar, wind, mini-hydro, geothermal) and healthcare, preserving its potential for new investments.

Sincerely,

/s/ Rodolphe E. Hottinger

Rodolphe E. Hottinger  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

/s/ Rudolf Millisits

Rudolf Millisits  
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

June 30, 2007

7

THE SWISS HELVETIA FUND, INC.

-----  
Review of Operations (Unaudited)

Trading activity for the six months ended June 30, 2007 involved changes in the following positions:

-----  
NEW INVESTMENTS BY THE FUND  
-----

Aare-Tessin AG Fuer Elektrizitaet Olten  
Addex Pharmaceuticals SA  
ABB Ltd., Expires 12/21/07 -- Call Warrant  
ABB Ltd., Expires 6/15/07 -- Call Warrant  
Lonza Group, Expires 5/18/07 -- Call Warrant  
Lonza Group, Expires 6/15/07 -- Call Warrant  
Swiss Market Index, Expires 9/21/07 -- Put Warrant

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Dufry Group  
EMS -- Chemie Holding AG  
Forbo Holding AG  
Komax Holding AG  
Motor Columbus AG  
OC Oerlikon Corp. AG  
Partners Group  
Petroplus Holdings AG  
Raetia Energie AG  
Schulthess Group AG  
Swatch Group AG, Expires 8/15/07 -- OTC Call Option  
Tecan Group AG  
Temenos Group AG  
UMS Schweizerische Metallwerke Holding

-----  
ADDITIONS TO EXISTING INVESTMENTS  
-----

Centralschweizerische Kraftwerke  
Schmolz and Bickenbach AG

-----  
SECURITIES DISPOSED OF  
-----

Bank Sarasin & Cie AG  
Cie Financ Richmond, Class A  
ABB Ltd., Expires 6/15/07 -- Call Warrant  
Lonza Group, Expires 5/18/07 -- Call Warrant  
Lonza Group, Expires 6/15/07 -- Call Warrant  
Sulzer AG

-----  
REDUCTIONS IN EXISTING INVESTMENTS  
-----

ABB Ltd.  
Adecco SA  
BKW FMB Energie AG  
Jelmoli Holding AG  
Julius Baer Holding AG  
Kudelski AG  
Nestle SA  
Novartis AG -- Registered Shares  
Roche Holdings -- Genus  
Sika AG  
Swiss Life Holding  
Zurich Financial Services AG

8

THE SWISS HELVETIA FUND, INC.

-----  
Schedule of Investments (Unaudited)      June 30, 2007

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- 87.00%			
BANKS -- 12.60%			
380,000	CREDIT SUISSE GROUP/2/ REGISTERED SHARES A global diversified financial service company with significant activity in private banking, investment banking, asset management and insurance service. (Cost \$12,095,927)	\$ 27,083,061	4.07%
100,000	EFG INTERNATIONAL REGISTERED SHARES Holding company of EFG Bank. Offers private banking and asset management services. (Cost \$3,249,443)	4,601,828	0.69%
870,000	UBS AG/2/ REGISTERED SHARES A global diversified financial service company with significant activity in private banking, investment banking, and asset management. (Cost \$7,403,841)	52,245,431	7.84%
		-----	-----
		83,930,320	12.60%
BASIC RESOURCES -- 3.39%			
93,236	PRECIOUS WOODS HOLDING AG/1/ REGISTERED SHARES Through subsidiaries, manages tropical forests using ecologically sustainable forest management methods. Harvests tropical trees and processes them into lumber. (Cost \$8,284,983)	9,280,999	1.39%

No. of Shares	Security	Value	Percent of Net Assets
-----			

BASIC RESOURCES -- (CONTINUED)

132,760	SCHMOLZ AND BICKENBACH AG REGISTERED SHARES Manufactures industrial and	\$ 11,644,664	1.75%
---------	---	---------------	-------

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

construction steel.  
(Cost \$6,621,317)

75,000 UMS SCHWEIZERISCHE METALLWERKE/1/ BEARER SHARES	Produces profiles and large dimension rods for electrical engineering, mechanical engineering, and construction companies, lead-free brass wire for batteries, billets, and small diameter wire and rods for the consumer goods and electronics industries. (Cost \$1,655,850)	1,636,953	0.25%
		-----	----
		22,562,616	3.39%

BIOTECHNOLOGY -- 12.92%

664,655 ACTELION LTD./1, 2/ REGISTERED SHARES	Biotechnology company that develops and markets synthetic small-molecule drugs against diseases related to the endothelium. (Cost \$17,871,161)	29,637,235	4.45%
155,983 ADDEX PHARMACEUTICALS SA/1/ REGISTERED SHARES	Bio-pharmaceutical company that discovers, develops, and markets therapeutic compounds for the treatment of addiction and other neuropsychiatric conditions. (Cost \$8,889,353)	8,325,355	1.25%

9

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) June 30, 2007  
(continued)

No. of Shares	Security	Value	Percent of Net Assets
------------------	----------	-------	-----------------------------

COMMON STOCKS -- (CONTINUED)

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

BIOTECHNOLOGY -- (CONTINUED)

156,200	BASILEA PHARMACEUTICA/1,2/ REGISTERED SHARES	\$ 34,474,625	5.17%
	Conducts research into the development of drugs for the treatment of infectious diseases and dermatological problems. (Cost \$21,602,083)		
91,903	SPEEDEL HOLDING AG/1/ REGISTERED SHARES	13,647,476	2.05%
	Researches and develops therapies for cardiovascular and metabolic diseases (Cost \$12,460,344)		
		-----	-----
		86,084,691	12.92%

CHEMICALS -- 3.69%

45,000	EMS -- CHEMIE HOLDING AG REGISTERED SHARES	5,874,674	0.88%
	Manufactures and markets performance polymers, high- grade chemical intermediates, fine chemicals, and protective bonding, coating and sealing products. (Cost \$5,881,838)		
95,931	SYNGENTA AG/2/ REGISTERED SHARES	18,722,826	2.81%
	Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$7,696,272)		
		-----	-----
		24,597,500	3.69%

No. of Shares	Security	Value	Percent of Net Assets
-----			

CONSTRUCTION & MATERIALS -- 2.25%

1,141	BELIMO HOLDING AG REGISTERED SHARES	\$ 1,227,953	0.18%
	World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$231,391)		
13,159	FORBO HOLDING AG REGISTERED SHARES	7,193,644	1.08%
	Produces floor coverings,		

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

adhesives, and belts for  
conveying and power  
transmission.  
(Cost \$6,835,652)

3,220 SIKA AG BEARER SHARES	6,568,211	0.99%
Leading producer of construction chemicals. (Cost \$891,990)		
	-----	----
	14,989,808	2.25%

FINANCIAL SERVICES -- 3.82%

218,600 JULIUS BAER HOLDING AG/2/ REGISTERED SHARES	15,677,986	2.35%
Offers private banking, institutional asset management, mutual fund, securities brokerage, and corporate finance services. (Cost \$10,287,329)		

10

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) June 30, 2007  
(continued)

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- (CONTINUED)			
FINANCIAL SERVICES -- (CONTINUED)			
73,000 PARTNERS GROUP REGISTERED SHARES		\$ 9,798,058	1.47%
Global alternative asset management firm in private equity, private debt, private real estate, infrastructure and hedge funds (Cost \$9,419,623)			
		-----	----
		25,476,044	3.82%

FOOD & BEVERAGES -- 11.09%

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

2,690	BARRY CALLEBAUT AG REGISTERED SHARES Manufactures cocoa, chocolate, and confectionary products. (Cost \$1,399,816)	2,032,425	0.31%
340	LINDT & SPRUNGLI AG REGISTERED SHARES Major manufacturer of premium Swiss chocolates. (Cost \$1,977,813)	10,072,944	1.51%
162,500	NESTLE SA/2/ REGISTERED SHARES Largest food and beverage processing company in the world. (Cost \$9,260,283)	61,786,064	9.27%
		-----	-----
		73,891,433	11.09%

No. of Shares	Security	Value	Percent of Net Assets
------------------	----------	-------	-----------------------------

-----

INDUSTRIAL GOODS & SERVICES -- 4.88%

337,457	ABB LTD. REGISTERED SHARES The holding company for ABB Group which is one of the largest electrical engineering firms in the world. (Cost \$2,243,911)	\$ 7,654,458	1.15%
116,000	ADECCO SA REGISTERED SHARES Leading personnel and temporary employment company. (Cost \$5,464,982)	8,986,782	1.35%
6,440	INFICON HOLDING AG REGISTERED SHARES Manufactures and markets vacuum instruments used to monitor and control production processes. Manufactures on-site chemical detection and monitoring system. (Cost \$581,616)	1,129,732	0.17%
87,215	KOMAX HOLDING AG REGISTERED SHARES Manufactures wire processing machines. Produces machines for cutting and stripping round and flat wire, crimping and insertion machines for	14,730,340	2.21%

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

processing single wires and  
equipment for processing wire  
harnesses.

(Cost \$14,246,410)

-----  
32,501,312 4.88%

11

-----  
THE SWISS HELVETIA FUND, INC.  
-----

Schedule of Investments (Unaudited) June 30, 2007  
(continued)

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- (CONTINUED)			
INSURANCE -- 1.60%			
15,900	SWISS LIFE HOLDING REGISTERED SHARES Offers financial services including life and property insurance, institutional investment management, and private banking services. (Cost \$2,932,815)	\$ 4,203,329	0.63%
20,800	ZURICH FINANCIAL SERVICES AG REGISTERED SHARES Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost \$3,338,952)	6,436,358	0.97%
		-----	-----
		10,639,687	1.60%
MEDICAL TECHNOLOGY -- 0.60%			
32,205	PHONAK HOLDING AG REGISTERED SHARES Designs and produces analog and digital hearing aids. (Cost \$1,100,139)	2,890,462	0.43%
16,500	TECAN AG/1/ REGISTERED SHARES Devellops, manufactures and	1,109,334	0.17%



## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

distributes laboratory automation  
components and systems.  
(Cost \$1,245,059)

-----  
3,999,796 0.60%

No. of Shares	Security	Value	Percent of Net Assets
OIL & GAS -- 0.77%			
50,000	PETROPLUS HOLDINGS AG/1/ REGISTERED SHARES Refines, supplies, markets and distributes petroleum products. (Cost \$4,687,050)	\$ 5,132,180	0.77%
		-----	----
		5,132,180	0.77%
PERSONAL & HOUSEHOLD GOODS -- 0.83%			
20,950	ADVANCED DIGITAL BROADCAST HOLDING SA/1/ REGISTERED SHARES Develops equipment and systems to view and interact with digital TV broadcast through cable, satellite, and telecommunication networks. (Cost \$1,352,807)	1,239,291	0.19%
20,000	SCHULTHESS GROUP AG REGISTERED SHARES Develops, manufactures and sells household appliances and heating equipment. (Cost \$2,327,602)	2,504,896	0.38%
6,367	SWATCH GROUP AG BEARER SHARES Manufactures finished watches, movements and components. Produces components necessary to its eighteen watch brand companies. Also operates retail boutiques. (Cost \$859,824)	1,813,057	0.26%
		-----	----
		5,557,244	0.83%

# Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited)      June 30, 2007  
(continued)

No. of Shares	Security	Value	Percent of Net Assets
-----			
COMMON STOCKS -- (CONTINUED)			
PHARMACEUTICALS -- 16.28%			
781,300	NOVARTIS AG/2/ REGISTERED SHARES One of the leading manufacturers of branded and generic pharmaceutical products. Manufactures nutrition products. (Cost \$8,326,469)	\$ 43,986,374	6.60%
363,600	ROCHE HOLDING AG/2/ NON-VOTING EQUITY SECURITIES Worldwide pharmaceutical company. (Cost \$6,578,721)	64,496,279	9.68%
		-----	-----
		108,482,653	16.28%
RETAILERS -- 5.37%			
5,500	DUFY GROUP REGISTERED SHARES Operates duty-free shops in countries such as Tunisia, Italy, Mexico, France, Russia, the United Arab Emirates, Singapore, the Caribbean and the United States. (Cost \$572,664)	620,635	0.09%
75,950	GALENICA AG/2/ REGISTERED SHARES Manufactures and distributes prescription and over-the- counter drugs, toiletries and hygiene products. (Cost \$14,745,078)	27,824,372	4.18%
No. of Shares	Security	Value	Percent of Net Assets
-----			

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

### RETAILERS -- (CONTINUED)

2,100	JELMOLI HOLDING AG BEARER SHARES	\$ 7,359,253	1.10%
	Owns and operates department and retail stores and provides mail-order catalog and real estate leasing services. (Cost \$3,707,265)		
		-----	----
		35,804,260	5.37%
TECHNOLOGY -- 2.26%			
123,000	KUDELSKI SA REGISTERED SHARES	4,315,437	0.65%
	Designs and manufactures digital security products under the brand name 'Nagra'. (Cost \$3,897,054)		
3,500	OC OERLIKON CORP AG REGISTERED SHARES	1,859,089	0.28%
	Manufactures coating machinery, semiconductor assembly equipment, and satellite components. (Cost \$1,774,439)		
369,200	TEMENOS GROUP AG/1/ Registered Shares	8,856,463	1.33%
	Provides integrated software for the banking sector. (Cost \$6,572,320)		
		-----	----
		15,030,989	2.26%

13

### THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited)      June 30, 2007  
(continued)

No. of Shares	Security	Value	Percent of Net Assets
------------------	----------	-------	-----------------------------

---

### COMMON STOCKS -- (CONTINUED)

UTILITY SUPPLIERS -- 4.65%

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

500	AARE-TESSIN AG FUR ELEKTRIZITAT (ATEL) REGISTERED SHARES	\$ 1,540,062	0.23%
	Generates, transmits, and distributes electricity in Switzerland and neighboring countries. (Cost \$1,275,915)		
147,250	BKW FMB ENERGIE AG REGISTERED SHARES	15,474,707	2.32%
	Produces electricity using nuclear, hydroelectric, solar, biomass and wind energy. (Cost \$7,675,799)		
28,409	CENTRALSCHWEIZERISCHE KRAFTWERKE AG REGISTERED SHARES	10,141,104	1.52%
	Supplies electric power, operates and maintains distribution network facilities, constructs and installs equipment, and offers consulting services to its clients. (Cost \$8,525,835)		
200	MOTOR-COLUMBUS LTD. BEARER SHARES	1,824,413	0.27%
	Generates, transmits and distributes electricity throughout Europe. (Cost \$1,665,611)		
No. of Shares	Security	Value	Percent of Net Assets
-----			
UTILITY SUPPLIERS -- (CONTINUED)			
5,000	RAETIA ENERGIE AG PARTICIPATION CERTIFICATE	\$ 2,047,977	0.31%
	Generates and distributes electric power from its own hydroelectric stations, as well as from outside nuclear power suppliers of electric power. (Cost \$2,035,541)		
		-----	-----
		31,028,263	4.65%
	TOTAL COMMON STOCKS (Cost \$261,750,187)*	\$579,708,796	87.00%
CALL WARRANTS -- 0.16%			
1,100,000	ABB LTD., EXPIRES 12/21/07	1,059,073	0.16%
		-----	-----

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

TOTAL CALL WARRANTS			
(Cost \$442,941)		1,059,073	0.16%
OTC CALL OPTION -- 0.07%			
17,200	SWATCH GROUP AG	457,928	0.07%
		-----	-----
Strike			
Price	Exp. Date		
-----	-----	-	-
\$320	8/13/07		
TOTAL OPTION			
(Cost \$255,574)		457,928	0.07%
		-----	-----

14

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) June 30, 2007  
(concluded)

No. of Shares	Security	Value	Percent of Net Assets
-----			
PUT WARRANTS -- 0.07%			
2,250,000	SWISS MARKET INDEX, EXPIRES 9/21/07	\$ 440,601	0.07%
		-----	-----
TOTAL PUT WARRANTS			
(Cost \$1,474,047)		440,601	0.07%
		-----	-----
TOTAL INVESTMENTS			
(Cost \$263,922,749)		581,666,398	87.30%
OTHER ASSETS LESS LIABILITIES, NET		85,068,148	12.70%
		-----	-----
NET ASSETS		\$666,734,546	100.00%
		=====	=====

PORTFOLIO HOLDINGS

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

% OF TOTAL INVESTMENTS	
Pharmaceuticals	18.65%
Banks	14.42%
Biotechnology	14.80%
Food & Beverages	12.70%
Retailers	6.16%
Industrial Goods & Services	5.59%
Utility Suppliers	5.33%
Chemicals	4.23%
Basic Resources	3.88%
Financial Services	4.38%
Construction & Materials	2.58%
Technology	2.58%
Insurance	1.83%
Personal & Household Goods	0.96%
Oil & Gas	0.88%
Medical Technology	0.69%
Call Warrants	0.18%
OTC Call Option	0.08%
Put Warrants	0.08%
	-----
	100.00%
	-----

-----  
 /1/NON-INCOME PRODUCING SECURITY.

/2/ONE OF THE TEN LARGEST PORTFOLIO HOLDINGS.

\*COST FOR FEDERAL INCOME TAX PURPOSES IS SUBSTANTIALLY THE SAME AS FOR  
 FINANCIAL STATEMENT PURPOSES AND NET UNREALIZED APPRECIATION (DEPRECIATION)  
 CONSISTS OF:

GROSS UNREALIZED APPRECIATION	\$319,616,395
GROSS UNREALIZED DEPRECIATION	(1,872,746)
	-----
NET UNREALIZED APPRECIATION	\$317,743,649
	=====

15

THE SWISS HELVETIA FUND, INC.

-----  
 Statement of Assets and Liabilities      June 30, 2007  
 (Unaudited)

ASSETS:

Investments, at value (cost \$263,922,749).....	\$581,666,3
Cash.....	76,482,4
Foreign currency (cost \$8,016,953).....	8,268,8
Tax reclaims receivable.....	3,016,0

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Other Receivables.....		153,2
		-----
Total assets.....		669,586,9
		-----
LIABILITIES:		
Payable for securities purchased.....		2,523,0
Advisory fees payable (Note 2).....		313,7
Directors' fees and expenses.....		15,5
		-----
Total liabilities.....		2,852,4
		-----
Net assets.....		\$666,734,5
		-----
COMPOSITION OF NET ASSETS:		
Paid in capital.....		306,832,1
Distributable earnings		
Undistributed net investment income.....	3,591,444	
Accumulated net realized gain from investment and foreign currency		
transactions.....	38,277,198	
Net unrealized appreciation on investments and foreign currency.....	318,033,760	
		-----
Total distributable earnings.....		359,902,4
		-----
Net assets.....		\$666,734,5
		-----
NET ASSET VALUE PER SHARE:		
(\$666,734,546 / 32,547,207 shares outstanding, 50 million shares		
authorized).....		\$ 20.
		=====

-----  
SEE NOTES TO FINANCIAL STATEMENTS.

16

THE SWISS HELVETIA FUND, INC.

-----  
Statement of Operations (Unaudited) For the Six Months Ended June 30, 2007

INVESTMENT INCOME:		
Dividends (less foreign taxes withheld of \$1,172,610).....		\$ 6,644,791
Interest.....		22,211
		-----
Total income.....		6,667,002
		-----
EXPENSES:		
Investment advisory fees (Note 2).....		1,931,572
Directors' fees & expenses.....		272,688
Professional fees.....		176,669
Administration fees.....		171,143
Custody fees.....		76,579
Printing and shareholder reports.....		71,004
Accounting fees.....		55,387

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Transfer agent fees.....	12,926
Interest Expense.....	43,671
Miscellaneous.....	108,697
	-----
Total expenses.....	2,920,336
	-----
Net investment income.....	3,746,666
	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:	
Net realized gain (loss) from:	
Investment transactions.....	39,001,009
Foreign currency transactions.....	(428,435)
Net change in unrealized appreciation/depreciation from:	
Investment transactions.....	3,603,267
Foreign currency translations.....	231,419
	-----
Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency...	42,407,260
	-----
NET INCREASE IN NET ASSETS FROM OPERATIONS.....	\$46,153,926
	=====

-----  
SEE NOTES TO FINANCIAL STATEMENTS.

17

THE SWISS HELVETIA FUND, INC.

-----  
Statement of Changes in Net Assets

	For the Six Months Ended June 30, 2007/1/	For the Year Ended December 31, 2006
-----		
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS:		
Net investment income.....	\$ 3,746,666	\$ 430,342
Net realized gain (loss) from:		
Investment transactions.....	39,001,009	54,274,788
Foreign currency transactions.....	(428,435)	77,287
Net change in unrealized appreciation/depreciation from:		
Investment transactions.....	3,603,267	70,960,520
Foreign currency translations.....	231,419	303,348
	-----	-----
Net increase in net assets from operations.....	46,153,926	126,046,285
	-----	-----
DISTRIBUTIONS TO STOCKHOLDERS FROM:		
Net investment income and net realized gains from foreign currency transactions.....	--	(685,681)
Net realized capital gains.....	(12,857,564)	(47,712,116)
	-----	-----
Total distributions to stockholders.....	(12,857,564)	(48,397,797)



Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Value of shares issued in connection with rights offering.....	135,360,707	--
Offering costs on rights issuance.....	(4,737,625)	--
Value of shares issued in reinvestment of dividends and distributions.....	--	12,903,159
Value of shares repurchased through stock buyback.....	--	(7,550,175)
	-----	-----
Total increase (decrease) from capital share transactions.....	130,623,082	5,352,984
	-----	-----
Total increase in net assets.....	163,919,444	83,001,472
NET ASSETS:		
Beginning of year.....	502,815,102	419,813,630
	-----	-----
End of period (including undistributed net investment income (expenses in excess of income) of \$3,591,444 and (\$155,222), respectively).....	\$666,734,546	\$502,815,102
	=====	=====

-----  
/1/UNAUDITED  
SEE NOTES TO FINANCIAL STATEMENTS.

18

-----  
THE SWISS HELVETIA FUND, INC.  
-----

Financial Highlights

	For the Six Months Ended June 30, 2007/1/	----- 2006	----- For the Year 2005
	-----	-----	-----
PER SHARE OPERATING PERFORMANCE:			
Net asset value at beginning of period.....	\$ 20.61	\$ 17.47	\$ 16.79
	-----	-----	-----
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income (expenses in excess of income).....	0.15/2/	0.02/2/	0.05/2/
Net realized and unrealized gain (loss) on investments/3/.....	1.62	5.14	2.24
	-----	-----	-----
Total from investment operations.....	1.77	5.16	2.29
	-----	-----	-----
Gain from capital share repurchases.....	--	0.03	0.04
Capital charge resulting from the issuance of fund shares.....	(1.36)/6/	(0.07)	(0.04)
	-----	-----	-----
LESS DISTRIBUTIONS:			

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

Dividends from net investment income and net realized gains from foreign currency transactions.....	0.00	(0.03)	(0.02)
Dividends in excess of net investment income.....	--	--	--
Distributions from net realized capital gains.....	(0.53)	(1.95)	(1.59)
	-----	-----	-----
Total distributions.....	(0.53)	(1.98)	(1.61)
	-----	-----	-----
Net asset value at end of period.....	\$ 20.49	\$ 20.61	\$ 17.47
	=====	=====	=====
Market value per share at end of period.....	\$ 17.80	\$ 19.10	\$ 15.31
	=====	=====	=====
 TOTAL INVESTMENT RETURN/4/:			
Based on market value per share.....	(4.28)%	37.64%	13.11%
Based on net asset value per share.....	2.47%	30.16%	14.92%
RATIOS TO AVERAGE NET ASSETS:			
Expenses.....	1.10%	1.17%	1.19%
Net investment income (expenses in excess of income).....	1.42%	0.09%	0.27%
SUPPLEMENTAL DATA:			
Net assets at end of period (000's).....	\$666,735	\$502,815	\$419,814
Average net assets during period (000's).....	\$533,731	\$484,631	\$415,074
Stockholders of record/5/.....	767	794	740
Portfolio turnover rate.....	14%	34%	37%

-----  
/1/UNAUDITED

/2/CALCULATED USING THE AVERAGE SHARES METHOD.

/3/INCLUDES NET REALIZED AND UNREALIZED CURRENCY GAIN (LOSS).

/4/TOTAL INVESTMENT RETURN BASED ON MARKET VALUE DIFFERS FROM TOTAL INVESTMENT RETURN BASED ON NET ASSET VALUE DUE TO CHANGES IN THE RELATIONSHIP BETWEEN THE FUND'S MARKET PRICE AND ITS NET ASSET VALUE PER SHARE. NOT ANNUALIZED FOR PERIODS LESS THAN ONE YEAR.

/5/NOT AUDITED BY DELOITTE & TOUCHE LLP.

/6/ISSUED IN CONNECTION WITH RIGHTS OFFERING.

SEE NOTES TO FINANCIAL STATEMENTS.

19

-----  
THE SWISS HELVETIA FUND, INC.  
-----

Notes to Financial Statements (Unaudited)

NOTE 1--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

### A. ORGANIZATION

The Swiss Helvetia Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended (the "Act"), as a non-diversified, closed-end investment management company. The Fund is organized as a corporation under the laws of the State of Delaware.

The investment objective of the Fund is to seek long-term growth of capital 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, as fully described in its prospectus.

### B. VALUATION OF SECURITIES

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

The Fund values its investments at market value.

When valuing listed equity securities, the Fund uses the last sale price prior to the calculation of the Fund's net asset value. When valuing equity securities that are not listed or that are listed but have not traded, the Fund uses the mean between the bid and asked prices for that day.

When valuing fixed income securities, the Fund uses the last bid price prior to the calculation of the Fund's net asset value. If a current bid price is not available, the Fund uses the mean between the latest quoted bid and asked prices. When valuing fixed income securities that mature within sixty days, the Fund uses amortized cost.

It is the responsibility of the Fund's Board of Directors (the "Board") to establish fair valuation procedures. When valuing securities for which market quotations are not readily available or for which the market quotations that are available are considered unreliable, the Fund determines a fair value in good faith in accordance with these procedures. The Fund may use these procedures to establish the fair value of securities when, for example, a significant event occurs between the time the market closes and the time the Fund values its investments. After consideration of various factors, the Fund may value the securities at their last reported price or at some other value. There were no fair valued securities on June 30, 2007.

### C. SECURITIES TRANSACTIONS AND INVESTMENT INCOME

Securities transactions are recorded on the trade date. Realized gains and losses are determined by comparing the proceeds of a sale or the cost of a purchase with a specific offsetting transaction.

Dividend income, net of any foreign taxes withheld, is recorded on the ex-dividend date. Interest income, including amortization of premiums and accretion of discounts, is accrued daily. Estimated expenses are also accrued daily.

The Fund records Swiss withholding tax as a reduction of dividend income, net of any amount reclaimable from Swiss tax authorities in accordance with the tax treaty between the United States and Switzerland.

### D. DISTRIBUTIONS

The Fund pays dividends at least annually to the extent it has any net investment income and net realized gains from foreign currency transactions and makes distributions of any net realized capital gains to the extent they exceed any capital loss carryforwards. The Fund determines the size and nature of these distributions in accordance with provisions of the Internal Revenue Code. Distributions may be paid either in cash or in stock with an option to take cash. The Fund records dividends and distributions on its books on the ex-dividend date.

### E. FEDERAL INCOME TAXES

The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all its taxable income to its stockholders. Therefore, no federal income tax provision is required.

Income and capital gain distributions are determined in accordance with federal income tax regulations, which may differ from generally accepted accounting principles. See Note 5 for Federal income tax treatment of foreign currency gain/losses.

### F. SECURITIES LENDING INCOME

The Fund may lend securities to financial institutions. The Fund retains beneficial ownership of the securities it has loaned and continues to receive

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

amounts equivalent to the dividends paid on these securities and to participate in any

20

THE SWISS HELVETIA FUND, INC.

---

Notes to Financial Statements (Unaudited) (continued)

changes in their market value. For the initial transaction, the Fund requires the borrowers of the securities to establish collateral with the Fund in the form of cash and/or government securities equal to 105% of the value of the securities loaned. Subsequent to the initial transaction, the Fund requires the borrowers to maintain collateral with the Fund equal to 100% of the value of the securities loaned. The Fund receives fees as compensation for lending its securities. Either the Fund or the borrower may terminate the securities loan at any time. There were no securities on loan during the period ended June 30, 2007.

#### G. FOREIGN CURRENCY TRANSLATION

The Fund maintains its accounting records in U.S. dollars. The Fund determines the U.S. dollar value of foreign currency denominated assets, liabilities and transactions by using prevailing exchange rates. The cost basis of foreign denominated assets & liabilities is determined on the date that they are first recorded within the Fund and translated to U.S. dollars. These assets and liabilities are subsequently valued each day at prevailing exchange rates. The difference between the original cost and current value denominated in U.S. dollars is recorded as Unrealized Currency Gain/Loss. In valuing assets and liabilities, the Fund uses the prevailing exchange rate on the valuation date. In valuing securities transactions, the receipt of income and the payment of expenses, the Fund uses the prevailing exchange rate on the transaction date.

Net realized and unrealized gains and losses on foreign currency translations shown on the Fund's financial statements result from the sale of foreign currencies, from currency gains or losses realized between the trade and settlement dates on securities transactions, and from the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

When calculating realized and unrealized gains or losses on investments in equity securities, the Fund does not separate the gain or loss attributable to changes in the foreign currency price of the security from the gain or loss attributable to the change in the U.S. dollar value of the foreign currency. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

#### H. ESTIMATES

In preparing its financial statements in conformity with accounting principles generally accepted in the United States, management makes estimates and assumptions. Actual results may be different.

#### NOTE 2--FEES AND TRANSACTIONS WITH AFFILIATES

Hottinger Capital Corp. ("HCC"), which is owned jointly by Hottinger U.S., Inc. and Hottinger & Cie (Zurich), is the Fund's advisor (the "Advisor"). The Fund pays the Advisor an annual fee based on its month-end net assets which is calculated and paid monthly at the following annual rates: 1.00% of the first

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

\$60 million, 0.90% of the next \$40 million, 0.80% of the next \$100 million, 0.70% of the next \$100 million, 0.65% of the next \$100 million, 0.60% of the next \$100 million, 0.55% of the next \$100 million, and 0.50% of such assets in excess of \$600 million. The Fund paid the Advisor \$1,931,572 in investment advisory fees for the six months ended June 30, 2007. The Fund paid Hottinger & Cie (Zurich) \$9,050 in brokerage commissions for the six months ended June 30, 2007.

The Fund and the Advisor have agreed to share certain common expenses subject to review and allocation by the Audit Committee (the "Committee") of the Board. During the six months ended June 30, 2007, the Committee allocated \$19,975 of expenses incurred in connection with publicizing the Fund as follows: \$9,987 to the Fund and \$9,988 to the Advisor.

Certain officers and directors of the Fund are also officers or directors of HCC, Hottinger U.S., Inc. and Hottinger & Cie (Zurich). These persons are not paid by the Fund for serving in these capacities.

### NOTE 3--OTHER FEES

Citigroup Fund Services, LLC ("Citigroup") provides certain administration and portfolio accounting services to the Fund.

American Stock Transfer & Trust Company is the Fund's transfer agent. The Fund pays the transfer agent an annual fee, which is accrued daily and paid monthly.

On December 28, 2006, Swiss American Securities, Inc. and Credit Suisse First Boston commenced transition of custody

21

### THE SWISS HELVETIA FUND, INC.

---

#### Notes to Financial Statements (Unaudited) (continued)

responsibility to Citibank, N.A. the transfer was completed on January 16, 2007. The Fund pays the custodian an annual fee.

The Fund pays each director who is not an interested person (as such term is defined in the Act) of the Fund, its Advisor, or Citigroup, approximately \$30,268 per annum in compensation, except for the Chairman of the Board to whom the Fund pays an annual fee of approximately \$42,568 and for the Chairmen of the Audit Committee and the Governance/Nominating Committee to each of whom the Fund pays an annual fee of approximately \$35,567. In addition, the Fund pays each disinterested Director \$1,300 for each Board meeting attended; each disinterested Director who is a member of a Committee a fee of \$750 for each Committee meeting attended and each disinterested Director who is a member of the Ad Hoc Rights Offering Committee a fee of \$1,000 for each Committee meeting attended. Committee meeting fees are paid for only those meetings held separately from other meetings. In addition, the Fund reimburses directors who are not employees of or affiliated with the Advisor for out-of-pocket expenses incurred in conjunction with attendance at meetings.

Directors' fees and expenses payable of \$15,595 shown on the Statements of Assets & Liabilities represents total dollars owed to Directors that have been accrued and not paid. Directors' fees and expenses of \$272,688 shown on the Statement of Operations represent the portion of Directors' fees and expenses accrued during the period January 1, 2007 through June 30, 2007. These fees are

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

calculated by projecting Directors' fees contractually owed and adding estimates of reimbursable expenses based on historical activity.

### NOTE 4--CAPITAL SHARE TRANSACTIONS

The Fund is authorized to issue up to 50 million shares of capital stock. HCC owned 189,187 of the 32,547,207 shares outstanding on June 30, 2007.

Transactions in capital shares were as follows:

	For the Six Months Ended June 30, 2007		For the Year Ended December 31, 2006	
	Shares	Amount	Shares	Amount
Sales of Shares	8,149,552	\$135,360,707	--	--
Dividends				
Reinvested	--	--	798,957	\$12,903,159/(a)/
Repurchased	--	--	(430,800)	(7,550,175)
Net increase (decrease)	8,149,552	\$135,360,707	368,157	\$ 5,352,984

(A) REPRESENTS SHARES ISSUED TO STOCKHOLDERS WHO DID NOT ELECT CASH IN CONJUNCTION WITH A LONG TERM CAPITAL GAINS DISTRIBUTION OF \$1.276 PER SHARE PAID JANUARY 31, 2006 TO STOCKHOLDERS OF RECORD ON DECEMBER 19, 2005.

### NOTE 5--FEDERAL INCOME TAX AND INVESTMENT TRANSACTIONS

Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryforward) under income tax regulations. The tax character of distributions paid during the year and the tax components of net assets will be updated at the Fund's fiscal year-end.

At December 31, 2006, the components of distributable earnings on a tax basis were as follows:

Ordinary income	\$	--
Long-term capital gains	\$	12,864,471
Capital and other losses	\$	(155,222)
Unrealized Appreciation	\$	313,896,791

Gains from foreign currency transactions will be treated as ordinary income for Federal income tax purposes.

For tax purposes, post-October 2006 loss was \$155,222. This loss was recognized for tax purposes on January 2, 2007.

The aggregate cost of purchases and proceeds from sales of investments, other than short-term obligations, for the six months ended June 30, 2007, were \$80,523,482 and \$84,489,917, respectively.

### NOTE 6--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 ("NYSE") in 1999 and has continued purchases in each subsequent year. The principal purpose of the stock

THE SWISS HELVETIA FUND, INC.

---

Notes to Financial Statements (Unaudited) (continued)

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. The Board has authorized the Fund to repurchase up to 500,000 shares during 2007. During the six months ended June 30, 2007, the Fund did not repurchase or retire any shares.

NOTE 7--LINE OF CREDIT

The Fund has entered into a line of credit agreement with the custodian to be used for temporary purposes. The agreement provides that the Fund may borrow up to an aggregate amount not to exceed \$45,000,000 at any one time. The Fund pays interest on the unpaid principal amount of each advance made to it from the day of such advance until such principal amount is paid in full. The interest is payable in arrears on demand, or if no demand has been made, on the last day of the interest period for such advance, pursuant to the agreement.

As of June 30, 2007, the Fund had no loans outstanding under the line of credit. During the six months ended June 30, 2007 the average borrowing was \$20.6 million and the average interest rate was 2.26%.

NOTE 8--RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes--an Interpretation of FASB Statement No. 109" (the "Interpretation"). The Interpretation establishes for all entities, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. The Interpretation is effective for fiscal years beginning after December 15, 2006, and is required to be implemented by calendar year closed-end funds by no later than June 29, 2007. Fund management has determined that the Fund did not have any unrecognized tax benefits as a result of tax positions taken in the current or prior reporting periods that would require reporting under FIN 48.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") 157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. At this time, the Fund is in the process of reviewing the impact, if any, of the SFAS on the Fund's financial statements.

NOTE 9--ADVISORY AGREEMENT APPROVAL

The continuance of the Investment Advisory Agreement between the Fund and HCC (the "Agreement") was approved by the Board at a meeting on May 24, 2007. The Independent Directors met with representatives of HCC before the meeting and evaluated information that they deemed necessary to enable them to determine

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

that the Investment Advisory Agreement (the "Agreement") would be in the best interests of the Fund and its stockholders. Their evaluation included information concerning the Fund's performance and expenses (including the fees paid to HCC for its services), the nature, extent and quality of the services HCC provided to the Fund, the financial position and profitability of HCC, and other benefits that HCC or its parent derived from managing the Fund.

The Independent Directors reviewed the Fund's investment performance, determining that the relevant measures should be in terms of its net asset value as measured in Swiss francs because the Fund's portfolio securities and cash were denominated in Swiss francs and because, as a matter of policy, the Fund did not hedge its currency exposure. They compared the Fund's investment performance for first quarter of 2007 and each of the past ten calendar years with the Swiss Performance Index ("SPI"), with the performance of the Swiss iShares traded on the New York Stock Exchange, and with the performance of a peer group of equity investment funds managed by Swiss advisers with publicly available performance information. In comparing the Fund's performance with the performance of the SPI, they considered the fact that, unlike the Fund, the performance of the SPI did not include the impact of any expenses. As a result of this evaluation, they concluded that the Fund's performance for the three months of 2007 and each of the ten years ended 2006 was reasonable in relation to the comparisons and outperformed them for the three-month 2007 period and on a cumulative basis.

23

THE SWISS HELVETIA FUND, INC.

---

Notes to Financial Statements (Unaudited) (concluded)

The Independent Directors compared the Fund's one-, three- and five-year investment performance in U.S. dollar terms with that of other U.S. registered closed-end European country funds. While the Fund's performance was below that of most of these other funds, the Independent Directors concluded that this was due to performance differences of the Swiss market vs. the other European countries and, to a lesser extent, the effect of the Swiss franc-U.S. dollar exchange rates vs. the euro-U.S. dollar exchange rates and therefore was not an indicator of HCC's investment performance.

The Independent Directors also evaluated the fees HCC charged the Fund for investment advisory services as compared to the fees paid by U.S. registered closed-end European country funds. They determined that the fees paid to HCC, even when combined with the seven basis point administration fee paid to the Fund's unaffiliated administrator, were among the lowest in each group. HCC also had represented that the combined investment advisory fee and administration fee was also lower than the fees HCC's parent charged to its private advisory clients and to a Luxembourg-based fund it managed with similar investment objectives and strategies.

The Independent Directors separately considered the fees charged by HCC including breakpoints at various asset levels. They also took note of the increase in the Fund's net assets that would result from the pending rights offering, the related increase in advisory fees payable to HCC and where the new asset level would fall on the breakpoint schedule. They concluded that the breakpoints (which were voluntarily adjusted by HCC in 1998 to the benefit of the Fund) allowed the Fund to share in economies of scale as its assets grew.



## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

The Independent Directors evaluated the nature of the Fund, the creativity of HCC in developing the Fund's investment strategies, and the complexity of the Swiss securities market. They determined that HCC's services to the Fund were highly professional and that the qualifications and number of HCC personnel, the availability of company research and market and financial information from HCC's parent in Switzerland, and the continuity of HCC personnel over time were all desirable factors.

The Independent Directors considered the financial condition of HCC, noting that the advisory fees it received from the Fund comprised the majority of its income. They concluded that HCC's financial condition was sound and that its profitability was reasonable for the services it provided to the Fund. They considered other benefits that HCC or its parent could be considered to derive from their relationship with the Fund including limited brokerage commissions from executing Fund transactions, the marketing value of the Fund's performance in attracting other clients, and the cost benefits to HCC of soft dollar research and portfolio and financial information services. They determined that these benefits were relatively minor and did not affect their overall assessment of the reasonableness of the relationship.

Based on the evaluation of these factors and the assistance of independent legal counsel, the Independent Directors concluded that the Fund's advisory fee rate was reasonable in relation to the service to be rendered by HCC and therefore recommended that the Board approve the continuance of the Agreement.

24

THE SWISS HELVETIA FUND, INC.

---

Additional Information (Unaudited)

This report is sent to the stockholders of the Fund, for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

Rights Offering

### RESULTS

The Fund successfully concluded a rights offering on June 22, 2007, which resulted in the issuance of an additional 8,149,552 shares of the Fund's common stock. The Fund issued one right for every share held on the record date, May 24, 2007, and three rights were required to subscribe for one additional share. The final subscription price for a share of the Fund's common stock was \$16.60. The rights were transferable and traded on the New York Stock Exchange from May 24, 2007 through June 22, 2007. The net proceeds to the Fund were approximately \$130 million after offering fees and expenses of \$4.7 million. The rationale for the rights offering was to allow the Fund to better take advantage of current and future investment opportunities presented by the prospects of a continuing positive economic environment and the Fund's recently-broadened investment parameters. Management believes that it can utilize the Fund's recently broadened investment strategies to seek attractive investment opportunities in real estate, private equity and small and medium sized companies. Management and the Fund's Board of Directors believed that the

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

rights offering was the most effective way to raise additional assets for the Fund while offering stockholders the opportunity to buy additional shares of the Fund at a discounted price.

PROCEEDS

As of August 24, 2007, the Fund has 4.2% of its total assets in cash. Since the end of June, the Fund has increased its position in small- and mid-cap industrial companies, including those involved with renewable energy, such as OC Oerlikon and Komax, and other industrials like Schmolz and Bickenbach in the high end steel business, and Petroplus in the oil refining business. The Fund also has increased its position in certain bio-pharmaceutical companies, such as Addex, and added new portfolio holdings in small- and mid-cap biotechnology companies such as Bachem and Santhera. With respect to alternative investments, the Fund has increased its position in an asset manager, Partners Group, and also made two investments in private equity funds--one in buy-out and one in venture capital. The Fund has not yet invested in the real estate sector, as the Advisor is expecting a short-term consolidation in prices as a result of recent increases in long-term interest rates. The Fund estimates that the proceeds from the rights offering will be substantially invested in accordance with its investment objective and policies within four to six months of the completion of the offering, depending on the public or private nature of the investment, which is ahead of the six to twelve months originally contemplated prior to the offering.

Proxy Voting Information

At the Annual Meeting of Stockholders, held on May 24, 2007 shares were voted as follows on the proposals presented to the Stockholders:

1. To elect three Class I Directors to serve for a three year term:

		Withhold For Authority --- -----
Claude W. Frey	17,219,671	3,766,551
Jean-Marc Boillat	17,370,099	3,616,123
Alexandre de Takacsy	16,919,299	4,066,923

25

THE SWISS HELVETIA FUND, INC.

Additional Information (Unaudited) (concluded)

2. To ratify the selection by the Board of Directors of Deloitte & Touche LLP as the Fund's independent registered public accounting firm for the year ending December 31, 2007:

For ---	Against -----	Abstain -----
------------	------------------	------------------

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

17,619,423 3,119,362 247,436

### Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available, without charge and upon request, on the SEC's website at <http://www.sec.gov> or may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330.

### Certifications

The Fund's chief executive officer has certified to the NYSE, pursuant to the requirements of Section 303A.12(a) of the NYSE Listed Company Manual, that, as of June 8, 2007, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund's reports to the Securities and Exchange Commission on Form N-CSR and Form N-Q contain certifications by the Fund's chief executive officer and chief financial officer as required by Rule 30a-2(a) under the Act, including certifications regarding the quality of the Fund's disclosures in such reports and certifications regarding the Fund's disclosure controls and procedures and internal control over financial reporting.

### Code of Ethics

The Board of Directors of the Fund and the Advisor have adopted Codes of Ethics pursuant to provisions of the Investment Company Act of 1940 (the "Codes"). The Codes apply to the personal investing activities of various individuals including directors and officers of the Fund and designated officers, directors and employees of the Advisor. The provisions of the Codes place restrictions on individuals who are involved in managing the Fund's portfolio, who help execute the portfolio manager's decisions or who come into possession of contemporaneous information concerning the investment activities of the Fund.

The fundamental principle of the Codes is that the individuals covered by the Codes have a fiduciary responsibility to the Fund and its stockholders. They are therefore required at all times to place the interests of the Fund and the stockholders first and to conduct all personal securities transactions in a manner so as to avoid any actual or potential conflict of interest or abuse of their position of trust.

Portfolio managers and other individuals with knowledge of Fund investment activities are prohibited from purchasing or selling a security during a blackout period of 30 calendar days before and after the date on which the Fund effects a trade in the same or a similar security. They are also prohibited from engaging in short term trading of Swiss equity or equity linked securities. Additionally, the Fund's portfolio managers are prohibited from participating in any initial public offering or private placement of Swiss equity and equity linked securities and other covered individuals must obtain prior clearance before doing so.

Any individual who violates the provisions of the Codes is required to reverse the transaction and to turn over any resulting profits to the Fund. The Fund and the Advisor have adopted compliance procedures and have appointed compliance officers to ensure that all covered individuals comply with the Codes.

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

THE SWISS HELVETIA FUND, INC.

---

### Dividends Reinvestment Plan (Unaudited)

#### The Plan

The Fund's Dividend Reinvestment Plan (the "Plan") offers a convenient way for you to reinvest capital gains distributions and ordinary income dividends, payable in whole or in part in cash, 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 in accordance with the terms of the Plan.
- . You will receive shares valued at the lower of the Fund's net asset 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?

The cash portion of any dividends or distributions you receive, payable in whole or in part in cash, 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 price increases to a level above the net asset value, AST will complete its

purchases, even though

27

THE SWISS HELVETIA FUND, INC.

---

Dividends Reinvestment Plan (Unaudited) (concluded)

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, payable in cash, 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 if you received the cash. It is only after the payment of distributions and dividends that AST reinvests the cash for your account.

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, NY 10269-0560

Through the Internet:

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

Through AST's automated voice response System:

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

1-888-556-0425

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

28

A SWISS INVESTMENTS FUND

THE SWISS HELVETIA FUND, INC.

EXECUTIVE OFFICES  
The Swiss Helvetia Fund, Inc.  
1270 Avenue of the Americas  
Suite 400  
New York, New York 10020  
1-888-SWISS-00  
(212) 332-2760  
[www.swz.com](http://www.swz.com)

THE SWISS

-----  
HELVETIA

-----  
FUND, INC.

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

SEMI-ANNUAL REPORT  
FOR THE  
PERIOD ENDED  
JUNE 30, 2007

ITEM 2. CODE OF ETHICS

Not Applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT

Not Applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Not Applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

Not Applicable.

## Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

### ITEM 6. SCHEDULE OF INVESTMENTS

Not Applicable.

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not Applicable.

### ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES

Not Applicable.

### ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value Shares that Yet Be Purch Under the PL Programs
-----	-----	-----	-----	-----
01/01/07 - 01/31/07	0	0	0	5
02/01/07 - 02/28/07	0	0	0	5
03/01/07 - 03/31/07	0	0	0	5
04/01/07 - 04/30/07	0	0	0	5
05/01/07 - 05/31/07	0	0	0	5
06/01/07 - 06/30/07	0	0	0	5
Total	0	0	0	5

At the December 7, 2006 meeting of the Registrant's Board of Directors (the "Board"), the Board approved the purchase of up to 500,000 shares of the Registrant by Hottinger Capital Corp., the Registrant's investment adviser. The approved purchase plan, announced to the public in a press release on December 7, 2006, expires on December 31, 2007. The Registrant does not intend to terminate the plan prior to its expiration.

### ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No material changes to procedures.

### ITEM 11. CONTROLS AND PROCEDURES

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report, that the Registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-CSR is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Edgar Filing: SWISS HELVETIA FUND, INC. - Form N-CSRS

(b) There were no changes to the Registrant's internal control over financial reporting that occurred during the Registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

(a) (1) Not Applicable.

(a) (2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (Exhibit filed herewith).

(a) (3) Not Applicable.

(b) Certifications pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (Exhibit filed herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant THE SWISS HELVETIA FUND, INC.

By /s/ Rodolphe E. Hottinger  
-----  
Rodolphe E. Hottinger,  
Chief Executive Officer

Date August 24, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By /s/ Rodolphe E. Hottinger  
-----  
Rodolphe E. Hottinger,  
Chief Executive Officer

Date August 24, 2007

By /s/ Rudolf Millisits  
-----  
Rudolf Millisits,  
Chief Financial Officer

Date August 24, 2007