

## THE SWISS HELVETIA FUND, INC.

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Dear Shareholder:

2014 was a year of significant change for The Swiss Helvetia Fund, Inc. (the "Fund"). Following the completion of an extensive multi-month process, your Board of Directors met in person in March 2014 and voted to approve and recommend to you the approval of Schroder Investment Management North America Inc. as the Fund's investment adviser and Schroder Investment Management North America Limited as the Fund's sub-adviser (together, "Schroders"). You, our shareholders, voted in June overwhelmingly to approve Schroders and, effective July 1, 2014, Schroders became the Fund's investment adviser.

This annual report marks the Fund's first annual report with our new investment adviser. The Board has now had the opportunity to work with Schroders for half a year and that experience has served only to confirm that we and you made the right choice. We are continuing to work with Schroders to best enhance shareholder value and believe that the closed-end fund format provides an attractive vehicle to access the Swiss equities market over the long-term.

Thank you for your continued support.

Sincerely,



Samuel B. Witt, III  
*Chairman*

## THE SWISS HELVETIA FUND, INC.

Dear Shareholder:

We are pleased to provide the Annual Report for The Swiss Helvetia Fund, Inc. (Fund) for the fiscal period ended December 31, 2014. Please note that while the management discussion and analysis and financial statements included here cover the period from January 1, 2014 – December 31, 2014, Schroder Investment Management North America Inc. (Schroders) became the Fund's investment adviser effective July 1, 2014. We would also like to once again take this opportunity to thank you for the trust you have placed in Schroders.

During the reporting period, global equities delivered positive returns in a volatile environment gaining 4.94% for the year as measured by the MSCI World Index. During the second half of 2014, the Federal Reserve successfully brought an end to its Quantitative Easing (QE) program but other central banks continued to ease monetary policy. Oil prices fell further, particularly after OPEC elected not to cut output. The outperformance of the US economy and end of QE helped drive the USD up against its main trading partners. With few economies keeping up with the US, the dollar was a favorite long position for many investors against various short positions elsewhere. The S&P 500 performed well despite some concerns over increasing interest rates. Equities were supported by hopes that lower oil prices would help sustain the consumer-led recovery. For the year, the S&P was up 13.69%.

Eurozone equity returns were virtually flat. Macroeconomic news remained downbeat with disappointing news from Germany's industrial sector early in the year. The weak data fuelled hopes that the European Central Bank could soon start buying

sovereign bonds. Japanese equities were also generally flat in dollar terms after further monetary policy easing from the central bank sent the yen lower. Prime Minister Abe called snap elections, won by his party, and delayed another consumption tax increase. Finally, emerging markets posted a -2.19% return as measured by the MSCI Emerging Markets Index. Russia was particularly weak amid deteriorating economic data, falling oil prices and pressure on the ruble. An interest rate cut supported Chinese equities.

With this as a backdrop, Swiss stocks were positive overall, but currency weakness during the period offset much of the gains. The global nature of many Swiss companies allowed for geographic diversification which proved to be a slight benefit relative to other markets in Continental Europe.

Our detailed comments regarding the Swiss economy follows in our Management Discussion and Analysis. We look forward to the opportunity to be of service to you. Please do not hesitate to let us know if you have questions or concerns. We would encourage you to visit [www.swzfund.com](http://www.swzfund.com) for daily price and performance information, fund documents as well as investment updates. Again, we thank you for investing with us and look forward to our continued relationship.

Sincerely,



Mark A. Hemenetz, CFA  
President

### IMPORTANT INFORMATION CONCERNING MANAGEMENT DISCUSSION AND ANALYSIS AND PERFORMANCE

*Except as otherwise specifically stated, all information and investment team commentary, including portfolio security positions, is as of December 31, 2014. The views expressed in the Management Discussion and Analysis section (the "MD&A") are those of the Fund's portfolio manager and are subject to change without notice. They do not necessarily represent the views of Schroder Investment Management North America Inc. The MD&A contain some forward-looking statements providing current expectations or forecasts of future events; they do not necessarily relate to historical or current facts. There can be no guarantee that any forward-looking statement will be realized. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise. Any discussions of specific securities should not be considered a recommendation to buy or sell those securities. The Fund may buy, sell, or hold any security discussed herein, on the basis of factors described herein or the basis of other factors or other considerations. Fund holdings will change.*

*Performance quoted represents past performance and does not guarantee or predict future results.*

*Management Discussion and Analysis (As of December 31, 2014)*

For the twelve-month period ended December 31, 2014, performance of The Swiss Helvetia Fund, Inc. (the "Fund") as measured by the change in value in the Fund's net asset value ("NAV") decreased by -0.27% in US dollars. For the same period, the Fund's share price performance in US dollars declined by -3.66%, as the discount at which its shares traded widened. This compares with an advance of 0.89% in Swiss equity markets as measured by the Swiss Performance Index (the "Index" or "SPI") as measured in US dollars. In the final quarter of the year, the Fund's NAV decreased by -1.52% and the share price performance was -1.91%, compared to a fall in the Index of -2.17%, all measured in US dollars. From May onwards, the US dollar started to recover against many developed nation currencies, including the Swiss franc. Measured in Swiss francs, the Fund's NAV rose by 11.41% for the full year 2014 and by 2.44% in the final quarter.

*Economic environment during the period under review*

*Global economic review*

A common economic theme for 2014—after initial hopes of a tentative acceleration—has been the lowering of growth expectations based on actual quarterly real GDP numbers. This has been true in particular in the eurozone, Japan and emerging market economies. The US experienced the same fate in the first part of the year due to harsh weather, but then emerged with a stronger than anticipated rebound.

*European economic review*

Two of the most important reasons for subdued growth in Europe can be seen in budget constraints and in the lack of much needed structural reforms. Important countries ailing in this respect are France and Italy. However, Germany had already gone through wide-ranging reforms since the beginning of the millennium. Still, that did not enable the German economy to grow much above the average of the eurozone. German exports grew, but in view of a generally less dynamic global economy, initial hopes were not met, and gross fixed capital formation also weakened. The conflict in the Ukraine and the ensuing sanctions from and against Russia might have had an impact on sentiment for the latter; however, the exchange of goods and services with Russia is not significant enough to have a material impact on the European or German economies.

*Swiss economic review*

The Swiss economy continued to grow at a rate clearly above the rest of Europe, however, due to the strong trade links with the region, forecasts also came down over the rest of the year. Expectations for real GDP growth in 2014, as published quarterly by the government's expert group, came down to 1.8% in December 2014 compared to 2.3% twelve months earlier. The biggest contributor to 2014 growth estimates due to its weight came from consumption, growing by about 1%; the highest growth rate was observed in exports at 3.6%. For listed Swiss companies, the domestic economy is not a

relevant indicator, because for the market capitalization weighted average roughly 90% of revenues for such companies are generated abroad. Swiss companies typically have operations across the globe. Therefore, global economic development is much more important than Swiss specifics.

### *Market environment during the period under review*

It was generally a good year for equity markets when looking at the local currency returns of the major developed countries. All of them enjoyed positive total returns, however, when translated into US dollars, most of these gains faded and only a few remained in positive territory as seen from the perspective of a US investor. Switzerland was one of these exceptions. Most global stock markets suffered negative performance in US dollars for the full year and during the fourth quarter 2014.

Swiss equities, as measured by the Index showed a positive performance of 13.00% in Swiss francs, which resulted in a total return of 0.89% when converted into US dollars, outperforming European peer markets in local currency and in US dollars, thanks to the Index's largest member, *Novartis*, which enjoyed a total return of 20.23% in US dollars. Peer pharmaceutical *Roche* experienced a slightly positive total return of 0.05% in US dollars. These two examples highlight the general trend of diverging stock and sector performance. A majority of stocks and industries ended the year in negative

territory in US dollars. Thanks to *Novartis*, 2014 was also a positive year for large cap stocks. Stocks outside the blue chip Swiss Market Index ended the year practically flat at -0.07% in US dollars. In late January / early February, and again in August and October, the market experienced corrections of rising magnitude and depth.

### *Performance*

The Fund's performance benefited in absolute US dollar terms from some of its larger positions, *i.e.*, *Novartis*, *Nestlé*, *Actelion* and *Lindt & Sprungli*. Some smaller holdings also were helpful for absolute performance: *Evolva*, *Leonteq*, *Lonza*, *Swiss Life* and *Schweizerische Nationalversicherung*. The latter benefited from the take-over by *Helvetia Holding AG*.

These stocks also contributed positively to performance compared against the return of the SPI, with two notable exceptions being Index heavyweights *Novartis* and *Nestlé* that together detracted close to 1% from relative performance as they outperformed the market and because the Fund had a relative underweight in those two stocks.

In comparing the Fund's NAV return of -0.27% with the performance of the Index of 0.89% in US dollars, there are three noteworthy effects:

1. A negative effect of approximately 1% from being underweight the two heavyweights of the Index (*Nestlé* and *Novartis*);

2. A positive effect in terms of relative performance from the selection of all other stocks, except *Nestlé* and *Novartis*; and,
3. A negative effect from the revaluation of the Fund's private equity holdings.

#### *Private Equity Investments*

The value of the Fund's private equity investments declined, as there were negative developments that impacted valuations for several of these holdings. The Fund participated in a share capital increase of *SelFrag* in January for an amount of approximately \$94,000. Following Schrodgers' take-over of the Fund's investment advisory responsibility, there have been two additional fund raisings. *EyeSense* issued additional shares and *SelFrag* received bridge financing in the form of a convertible loan. We decided not to participate in either of these fund raisings both due to the uncertainty resulting from product reorientation of these companies and the current transition phase that each is going through. Because of the terms of these financings, including their dilutive impact on the Fund's interest in *SelFrag* and *EyeSense*, and our evaluation of each company's revised business plans, in our opinion the fair valuation for each needed to be adjusted downwards. Based on information from management, our valuation of *NovImmune* was revised downward, while our valuation for *Kuros* remained broadly unchanged. We determined that the Fund's valuation of *Ixodes* should be revised downward based on an updated understanding of the company's

business prospects. The limited partnership *Zurmont Madison Private Equity* distributed a significant amount of approximately \$908,000, as it sold one of its investments. *Zurmont* also made capital calls the Fund was contractually required to fund because of its historic commitment which required outlays of slightly less than \$600,000. *Zurmont's* fair valuation at the end of 2014 is lower than at the beginning of the year because of its capital distribution. The company's underlying participations experienced a negative revaluation when measured in US dollars, as the US dollar strengthened against the Swiss franc. Lastly, for its accounts published as of December 31, 2014, *Aravis* reversed one of the positive valuations it had placed on holdings a year before.

For the six-month period since June 30, 2014 to December 31, 2014, valuation of the Fund's individual private equity investments changed by amounts that in sum totaled -1.53% of the Fund's net assets as of June 30, 2014.

#### *Portfolio changes*

There was a rather high turnover, both in dollar terms and in the number of portfolio purchases and sales. This resulted in an unusually high capital gains distribution of over \$58 million that was declared in December 2014. Approximately 84% of these realized gains were generated in the first half of the year before we took over on July 1, 2014 as investment advisor. A significant portion of the gains were realized to support

## THE SWISS HELVETIA FUND, INC.

the Fund's tender offer which saw over \$68 million of the Fund's shares repurchased. As of December 31, 2014, there are 33 listed companies held by the Fund and six direct investments into private equity firms plus two participations held in private equity limited partnerships. In 2014, we added *Banque Cantonale Vaudoise (BCV)*, *Implenia*, *Helvetia*

and *Oerlikon*, among others, as new investments for the Fund.

- *BCV* is a Swiss regional bank, catering primarily towards clients in Switzerland's Vaud canton and the immediate neighboring region. We believe *BCV* to be well capitalized with a core

### *New Investments by the Fund*

Banque Cantonale Vaudoise  
Clariant AG  
Dufry AG  
EFG International AG  
Feintool International Holding AG  
GAM Holding AG  
Helvetia Holding AG  
Implenia AG  
Leonteq AG  
Logitech International SA  
OC Oerlikon Corp. AG  
Sika AG  
Sonova Holding AG  
VZ Holding AG

### *Additions to Existing Investments*

Belimo Holding AG  
Bucher Industries AG  
Syngenta AG  
Tecan Group AG  
Swatch Group AG

### *Positions Entirely Disposed of*

ABB, Ltd.  
Emmi AG  
Galenica AG  
Meyer Burger Technology AG  
Nationale Suisse  
Nobel Biocare Holding AG  
Panalpina Welttransport Holding AG  
Schindler Holding AG  
Sulzer AG  
Weatherford International, Ltd.

### *Reductions in Existing Investments*

Actelion, Ltd.  
Burckhardt Compression Holding AG  
Basilea Pharmaceutica AG  
Compagnie Financiere Richemont SA  
Credit Suisse Group AG  
DKSH Holding, Ltd.  
Evolva Holding SA  
Lindt & Spruengli AG  
Lonza Group AG  
Nestlé SA  
Novartis AG  
Roche Holding AG  
Swiss Life Holding AG  
UBS AG



tier equity ratio almost at 150% of the necessary level. *BCV's* high dividend payout of approximately 5.8% looks very secure. Cost control over the past several years appears to have been very good, which makes it well prepared, in our opinion, for a potentially prolonged period of low growth and low interest rates.

- We believe that *Implenia* is an attractive company for its future earnings growth potential. It has diversified away from being an almost purely Swiss construction company through acquisitions in economically sound countries, such as Norway and Germany.
- With the takeover of *Nationale Suisse* by *Helvetia*, the Fund received shares in *Helvetia* and cash. The merger makes sense for *Helvetia* and the offer for *Nationale Suisse* was attractive, therefore we accepted it.
- *Oerlikon* is a diversified industrial manufacturer. We bought it because in our view the market is too concerned about an imminent slowdown in its textile division. With its recent acquisition of *Sulzer's* surface coating division, *Metco*, it should be possible to more or less compensate for the decline in *Oerlikon's* textile division. We see *Oerlikon* as an attractively valued company, with a high quality balance sheet and management. In our view, it is of similar quality to

*Sulzer*, but considerably cheaper. We therefore decided to entirely dispose of *Sulzer* which was acquired before we took over as investment advisor.

Further examples where we decided to fully sell were *Meyer Burger* and *Panalpina*.

- *Meyer Burger* faces a difficult market environment as a solar equipment manufacturer. After the end of the solar boom, solar panel manufacturers had to drastically reduce their capital expenditure because of industry overcapacity. After several capital increases and debt issuance, the company's market capitalization is more or less the same as the time when it recorded record profits. Today, it is loss making and appears to be cash intensive. Although we think the solar industry will continue to grow once it has put the overcapacity issue behind, we view it as unlikely that the company will reach again its peak earnings. Moreover, in our view, the company's balance sheet quality has worsened, and the possibility of a further equity issuance cannot be excluded.
- *Panalpina* is currently restructuring its operations. We believe *Panalpina* needs to heavily invest in its IT systems in order to stay competitive in the freight forwarding market. Management has admitted that this will be a lengthy process. Valuation ap-

pears expensive, as market expectations for an increase in the company's profitability are, in our view, too strongly held and for too short a timeframe.

## Outlook

### *Global economic outlook*

In 2014, expectations for global growth were only briefly on the rise. Starting in the second quarter, the outlook for world GDP growth saw steady and gradual downgrades. The IMF has started the new year with a continuation of that trend, where in its "World Economic Outlook" published in January 2015 it lowered forecasts for global growth by 0.3% for 2015 and 2016. It stated: "The revisions reflect a reassessment of prospects in China, Russia, the Euro area, and Japan as well as weaker activity in some major oil exporters because of the sharp drop in oil prices. The United States is the only major economy for which growth projections have been raised."<sup>1</sup> The pattern in terms of the direction of adjustments to individual countries and regions is very similar to that of the IMF's revisions in the second half of 2014. While in 2014, downwards revisions were primarily made to the near term growth, *i.e.*, for the current year, the IMF has now applied a more cautious view to the entire forecast period.

### *Swiss economic outlook*

Although Swiss real GDP once again outpaced the Euro area and accelerated to

0.6% (not annualized) in the third quarter of 2014 and 1.9% against the same quarter last year, forecasts for 2015 have been lowered by the expert group of the Swiss State Secretariat for Economic Affairs (SECO) in December 2014. Reasons stated are the sluggish recovery in Europe, and in particular the temporary weakness in Germany, Switzerland's most important trading partner. The revised forecast, however, is already obsolete, as the abandoning of the exchange rate floor against the Euro will certainly have a major impact on exports of manufactured goods and services, which presently account for almost 50% of Swiss GDP. Exports will decline; both in terms of value and volume, and import volumes will rise as their prices have become cheaper. As a result, Swiss net trade surplus, which is about 11% of GDP, should experience a significant cut, depending on price elasticity of all imported and exported goods. Initial broker estimates of a 1.0%—1.5% cut to GDP growth are in our view still too optimistic. However, we would like to highlight that the impact for listed Swiss companies might not be so severe as they are much more dependent on global development rather than the domestic economy. On a market capitalization weighted average basis, listed Swiss companies generate approximately 90% of revenues abroad. As they have operations across the globe, it is not through export exposure that they are affected by the rise of the Swiss franc, but primarily through a currency conversion impact: their profit generated in a foreign country with the productive assets

<sup>1</sup> World Economic Outlook (WEO) Update, Cross Currents, January 2015, <http://www.imf.org/external/pubs/ft/weo/2015/update/01/>



located outside Switzerland should not change in foreign currency terms, but is now worth less in Swiss francs.

*Investment view*

In our investment outlook, we previously expressed our positive view on stock markets in general and for Swiss equities for the medium to long-term, even though we also saw risks of increased volatility in the short term. We identified sources for higher market fluctuations as coming from geopolitical tensions, perceptions about central bank actions as well as faltering global economic and corporate profit growth. We also pointed to the aging of the current bull market that is soon heading for its sixth year since the low in March 2009, which has made Swiss stocks more expensive in absolute terms as measured by price/earnings, price/book or price/sales ratios. We did not, however, anticipate the Swiss National Bank (SNB) to be the first actor to surprise the market, as it did on January 15, 2015, even though we expected that at some point in the future, the floor in the EUR-CHF exchange rate of 1.20 would be lifted. When the SNB introduced it in September 2011, purchasing power parity for the exchange rate was clearly above the floor. With such a prerequisite, it was not the case of a central bank that was already “behind the curve”: the SNB had not tried to limit the exchange rate move to less than was justified as equilibrium under the theory of purchasing power parity. To the contrary, the SNB had allowed the exchange rate to move by more than it

should have under this framework. The obvious question is whether the purchasing power parity moved significantly since the time the floor had been introduced. Looking at the differential in inflation rates between Switzerland and the Euro area since the introduction of the minimum exchange rate, the purchasing power parity equilibrium rate was still above the floor. Therefore, this cannot be the reason that put strain on the SNB’s ability and willingness to intervene, but rather it was the SNB’s ballooning balance sheet. In the latest published data for December 2014, assets held by the SNB had grown to approximately 560 billion CHF. There is no other central bank that had currently such a large balance sheet compared to the gross domestic product of its currency area, which for Switzerland is estimated at around 650 billion CHF for the year 2014.

Has our view on the Swiss equity market changed since January 15, 2015? It took the market two days to more or less equal out the higher Swiss franc and its estimated impact on earnings of Swiss companies. The Swiss stock exchange, as measured by the SPI, lost 14.13% in total on January 15 and 16, 2015. As the Swiss franc rose by more against the US dollar, there was a net resulting gain of approximately 2% for a dollar-denominated investor in the Swiss market. In our view this is about fair as it is within the range of a normal two day fluctuation. In our minds, as a general rule of thumb, and ignoring variations between stocks: if the Swiss franc gains 15% against a bundle of other currencies, the Swiss equity market should

be 15% lower on average. Obviously, there was a lot of disparity between individual stocks. Whether the daily move correctly reflected the new exchange rate level needs to be analyzed in terms of the transactional and translational impact on the market's constituents. We believe that in the long-term, Swiss equities are a good investment. Many Swiss companies are global leaders and over the last several decades, Swiss companies have successfully coped with a strengthening Swiss franc. However, in the short term, we expect exchange rate and equity market volatility to persist. This is both an opportunity and risk. We have started to look into trying to exploit the volatility by "bottom-fishing" in stocks that fulfill at least three of the following four conditions: 1) share price loses more than the overall market, 2) what we be-

lieved to be an already attractive valuation prior to the share price fall, 3) minimal transactional foreign exchange exposure and 4) pricing power to compensate for the Swiss franc appreciation. Any action taken will be gradual as there remain sources of risk that could lead to a correction of international stock markets. The Swiss stock market would very likely be affected again. Furthermore, although the Swiss franc in our view is trading significantly above its purchasing power parity, the seismic impact that the SNB's decision had on Swiss assets, aftershocks and a further overshooting of the Swiss franc cannot be discounted. However, we are confident that mid-term we should be able to benefit from a return to levels that we believe more accurately reflect fundamentals.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry

December 31, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets	No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks — 92.21%</b>				<b>Biotechnology — (continued)</b>			
<b>Banks — 6.42%</b>				<b>Biotechnology — (continued)</b>			
2,000	<b>Banque Cantonale Vaudoise</b> Offers consumer loans, treasury management, pension funds, investment management services, trades in commodities, advises on mergers and acquisitions and offers securities brokerage services. (Cost \$1,083,902)	\$ 1,084,889	0.32%	50,000	<b>Basilea Pharmaceutica AG<sup>1</sup></b> Conducts research into the development of drugs for the treatment of infectious diseases and dermatological problems. (Cost \$4,000,920)	\$ 4,636,945	1.36%
248,600	<b>Credit Suisse Group AG</b> A global diversified financial services company with significant activity in private banking, investment banking and asset management. (Cost \$5,945,260)	6,274,733	1.84%	1,600,000	<b>Evolve Holding SA<sup>1</sup></b> Discovers and provides innovative, sustainable ingredients for health, nutrition and wellness. (Cost \$1,272,422)	2,125,497	0.62%
445,000	<b>EFG International AG</b> A global private banking group offering private banking and asset management services. (Cost \$4,922,414)	5,194,988	1.53%	57,000	<b>Lonza Group AG</b> Produces organic fine chemicals, biocides, active ingredients, and biotechnology products. Operates production sites in Europe, the United States and China. (Cost \$5,402,601)	6,436,270	1.89%
540,500	<b>UBS Group AG<sup>1,2</sup></b> Provides retail banking, corporate and institutional banking, wealth management, asset management and investment banking. (Cost \$6,975,871)	9,296,175	2.73%	3,029	<b>Novimmune SA<sup>1,3</sup></b> Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost \$1,551,109)	1,606,484	0.47%
		21,850,785	6.42%			22,463,627	6.60%
<b>Biotechnology — 6.60%</b>				<b>Chemicals — 4.16%</b>			
66,000	<b>Actelion, Ltd.</b> Focuses on the discovery, development and commercialization of treatments to serve critical, unmet medical needs. (Cost \$3,082,700)	7,658,431	2.26%	190,000	<b>Clariant AG</b> Develops, produces, markets and sells specialty chemical products for various end markets. (Cost \$3,283,635)	3,197,102	0.94%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets	No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks — (continued)</b>							
<b>Chemicals — (continued)</b>				<b>Financial Services — 2.74%</b>			
34,000	<b>Syngenta AG<sup>2</sup></b> Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$11,412,216)	\$ 10,949,529	3.22%	100,000	<b>GAM Holding AG</b> An independent, well-diversified asset management business, with a focus on the manufacturing and distribution of investment products and services. (Cost \$1,678,844)	\$ 1,811,503	0.53%
		14,146,631	4.16%				
<b>Construction &amp; Materials — 4.28%</b>				<b>18,530 Leonteq AG</b>			
3,375	<b>Belimo Holding AG</b> World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$7,119,603)	7,846,073	2.30%		Is a technology and service platform with a leading position in structured investment products in Switzerland. (Cost \$3,492,759)	4,475,621	1.32%
100,000	<b>Implenia AG</b> Provides construction, civil and underground engineering services. Implenia's projects include residential and industrial buildings, tunnels, bridges and roads. The company also provides real estate and facilities management and marketing services. (Cost \$6,306,426)	5,811,906	1.71%	17,000	<b>VZ Holding AG</b> Provides independent financial advice to private individuals and companies. The company consults on investment, tax and inheritance planning and provides advice regarding insurance products and coverage. (Cost \$2,809,082)	3,040,205	0.89%
		915,976	0.27%			9,327,329	2.74%
				<b>Food &amp; Beverage — 15.18%</b>			
310	<b>Sika AG</b> Produces concrete and mixtures, mortar, sealants and adhesives, tooling resins, anti-static industrial flooring, acoustic materials for automobiles and waterproof membranes. The company also offers specialized contracting services. (Cost \$932,860)	14,573,955	4.28%	273	<b>Lindt &amp; Sprungli AG<sup>2</sup></b> Major manufacturer of premium Swiss chocolates. (Cost \$6,930,228)	15,704,403	4.61%
				490,000	<b>Nestlé SA<sup>2</sup></b> Largest food and beverage processing company in the world. (Cost \$6,459,887)	35,973,934	10.57%
						51,678,337	15.18%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets	No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks — (continued)</b>							
<b>Industrial Goods &amp; Services — 8.51%</b>				<b>Industrial Goods &amp; Services — (continued)</b>			
<b>34,200</b>	<b>Bucher Industries AG</b> Manufactures food processing machinery, vehicles and hydraulic components. Produces fruit and vegetable juice processing machinery, farming machinery and outdoor equipment. (Cost \$11,093,920)	\$ 8,566,779	2.52%	<b>260,000</b>	<b>OC Oerlikon Corp. AG</b> Produces industrial equipment to manufacture solar energy modules, place coatings, extract processing gases, manufacture textiles, and transmit power using mechatronic driveline components. (Cost \$3,104,708)	\$ 3,270,769	0.96%
						28,984,210	8.51%
<b>28,000</b>	<b>Burckhardt Compression Holding AG<sup>2</sup></b> Produces compressors for oil refining and the chemical and petrochemical industries, industrial gases, and gas transport and storage. (Cost \$8,779,373)	10,729,130	3.15%	<b>Insurance — 3.67%</b>			
				<b>8,581</b>	<b>Helvetia Holding AG</b> Provides a broad range of life, casualty, liability, accident and transportation insurance. (Cost \$3,909,132)	4,093,387	1.20%
<b>61,000</b>	<b>DKSH Holding, Ltd.</b> An international marketing and services group. The company offers a comprehensive package of services that includes organizing and running the entire value chain for any product. (Cost \$4,617,705)	4,665,627	1.37%	<b>35,300</b>	<b>Swiss Life Holding AG</b> Provides life insurance and institutional investment management. (Cost \$8,106,093)	8,398,249	2.47%
						12,491,636	3.67%
				<b>Medical Equipment — 5.43%</b>			
<b>17,100</b>	<b>Feintool International Holding AG</b> Manufactures integrated systems for fineblanking and forming technologies. The company produces presses and special tooling capable of manufacturing precision parts, automation systems, riveting machines and extruded plastic and metal components. (Cost \$1,411,233)	1,751,905	0.51%	<b>168,000</b>	<b>Kuros Biosurgery AG<sup>1,3</sup></b> Develops biomaterials and bioactive biomaterial combination products for trauma, wound and spine indications. (Cost \$2,516,639)	686,439	0.20%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets	No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks — (continued)</b>							
<b>Medical Equipment — (continued)</b>				<b>Personal &amp; Household Goods — (continued)</b>			
56,000	<b>Sonova Holding AG</b> Designs and produces wireless analog and digital in-the-ear and behind-the-ear hearing aids and miniaturized voice communications systems. (Cost \$8,573,644)	\$ 8,278,972	2.43%	115,000	<b>Swatch Group AG<sup>2</sup></b> Manufactures finished watches, movements and components. Produces components necessary to its eighteen watch brand companies. Also operates retail boutiques. (Cost \$10,991,521)	\$ 9,953,203	2.92%
3,731	<b>Spineart SA<sup>1,3</sup></b> Designs and markets an innovative full range of spine products, including fusion and motion preservation devices, focusing on easy to implant high-end products to simplify the surgical act. (Cost \$2,623,329)	1,789,708	0.53%			20,051,728	5.89%
68,000	<b>Tecan Group AG</b> Manufactures and distributes laboratory automation components and systems. The products are mainly used by research and diagnostic laboratories. (Cost \$6,804,220)	7,733,105	2.27%		<b>Pharmaceuticals — 26.55%<sup>4</sup></b>		
		18,488,224	5.43%	530,000	<b>Novartis AG<sup>2</sup></b> One of the leading manufacturers of branded and generic pharmaceutical products. (Cost \$10,426,546)	49,258,290	14.46%
				151,500	<b>Roche Holding AG<sup>2</sup></b> Develops and manufactures pharmaceutical and diagnostic products. Produces prescription drugs to treat cardiovascular, infectious, autoimmune, and for other areas including dermatology and oncology. (Cost \$8,841,736)	41,151,160	12.09%
						90,409,450	26.55%
<b>Personal &amp; Household Goods — 5.89%</b>				<b>Retail — 0.99%</b>			
113,000	<b>Compagnie Financiere Richemont SA<sup>2</sup></b> Manufactures and retails luxury goods. Produces jewelry, watches, leather goods, writing instruments, and men's and women's wear. (Cost \$8,108,858)	10,098,525	2.97%	22,500	<b>Dufry AG<sup>1</sup></b> Operates duty-free shops in countries such as the Caribbean, France, Italy, Mexico, Russia, Singapore, the United Arab Emirates and the United States. (Cost \$3,710,256)	3,373,924	0.99%
						3,373,924	0.99%

See Notes to Financial Statements.



THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets	No. of Shares	Security	Fair Value	Percent of Net Assets
<b>Common Stocks — (continued)</b>							
<b>Technology — 1.79%</b>				<b>Industrial Goods &amp; Services — 0.16%</b>			
<b>450,000</b>	<b>Logitech International SA</b> Engages in the development and marketing of hardware and software products that enable or enhance digital navigation, music and video entertainment, gaming, social networking, and audio and video communication. (Cost \$5,935,492)	\$ 6,091,179	1.79%	<b>250,447</b>	<b>SelfFrag AG, Class A, Series C<sup>1,3,5</sup></b>	\$ 264,649	0.09%
				<b>78,514</b>	<b>SelfFrag AG, Class A, Series D<sup>1,3,5</sup></b>	82,967	0.02%
				<b>171,902</b>	<b>SelfFrag AG, Class A, Series E<sup>1,3,5</sup></b> Designs, manufactures and sells industrial machines and processes using selective fragmentation technology. (Cost \$1,932,198)	181,651	0.05%
		6,091,179	1.79%			529,267	0.16%
	<b>Total Common Stocks</b> (Cost \$194,217,144)	313,931,015	92.21%	<b>Medical Equipment — 0.06%</b>			
<b>Preferred Stocks — 0.91%</b>				<b>83,611</b>	<b>EyeSense AG, Series A Preferred<sup>1,3</sup></b> A spin-out from Ciba Vision AG. Develops novel ophthalmic self-diagnostic systems for glucose monitoring of diabetes patients. (Cost \$3,007,048)	195,217	0.06%
<b>Biotechnology — 0.69%</b>						195,217	0.06%
<b>8,400</b>	<b>Ixodes AG, Series B<sup>1,3,5</sup></b> Develops and produces a topical product for the treatment of borreliosis infection and the prevention of lyme disease after a tick bite. (Cost \$2,252,142)	683,480	0.20%			3,084,987	0.91%
				<b>Total Preferred Stocks</b> (Cost \$9,253,695)			
				<b>Private Equity Limited Partnerships — 4.39%</b>			
				<b>Biotechnology — 0.58%</b>			
<b>3,162</b>	<b>NovImmune SA, Series B<sup>1,3</sup></b> Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost \$2,062,307)	1,677,023	0.49%				
				<b>Aravis Biotech II - Limited Partnership<sup>3,5</sup></b> (Cost \$2,857,869)		1,984,736	0.58%
		2,360,503	0.69%				

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2014

Security	Fair Value	Percent of Net Assets
<b>Private Equity Limited Partnerships — (continued)</b>		
<b>Financial Services — 3.81%</b>		
Zurmont Madison Private Equity, Limited Partnership <sup>1,2,3,5</sup> (Cost \$12,722,137)	\$ 12,978,154	3.81%
<b>Total Private Equity Limited Partnerships</b> (Cost \$15,580,006)	14,962,890	4.39%
<b>Total Investments*</b> (Cost \$219,050,845)	331,978,892	97.51%
<b>Other Assets Less Other Liabilities, net</b>	8,477,999	2.49%
<b>Net Assets</b>	<u>\$340,456,891</u>	<u>100.00%</u>

<sup>1</sup> Non-income producing security.

<sup>2</sup> One of the ten largest portfolio holdings.

<sup>3</sup> Illiquid. There is not a public market for these securities in the United States or in any foreign jurisdiction, including Switzerland. Securities are priced at Fair Value in accordance with the Fund's valuation policy and procedures. At the end of the period, the aggregate Fair Value of these securities amounted to \$22,130,508 or 6.50% of the Fund's net assets. Additional information on these securities is as follows:

Security	Acquisition Date	Acquisition Cost
Aravis Biotech II, Limited Partnership	July 31, 2007 – October 24, 2014	\$ 2,857,869
EyeSense AG – Preferred Shares A	July 22, 2010 – October 3, 2011	3,007,048
Ixodes AG – Preferred Shares B	April 7, 2011 – June 1, 2012	2,252,142
Kuros Biosurgery AG – Common Shares	August 10, 2009 – August 28, 2009	2,516,639
NovImmune SA – Common Shares	October 7, 2009 – December 11, 2009	1,551,109
NovImmune SA – Preferred Shares B	October 7, 2009 – December 11, 2009	2,062,307
Selfrag AG – Class A – Preferred Shares	December 15, 2011 – January 28, 2014	1,932,198
Spineart SA – Common Shares	December 22, 2010	2,623,329
Zurmont Madison Private Equity, Limited Partnership	September 13, 2007 – July 18, 2014	12,722,137
		<u>\$31,524,778</u>

<sup>4</sup> The Fund has a fundamental investment policy that prohibits it from investing 25% or more of its total assets in a particular industry. As of December 31, 2014, the Fund had more than 25% of its total assets invested in the pharmaceuticals industry as a result of the appreciation of the value of its existing investments. The Fund will not invest in any additional companies in the industry until such time that the percentage of the Fund's total assets invested in that industry is below 25%.

See Notes to Financial Statements.

**THE SWISS HELVETIA FUND, INC.**

**Schedule of Investments by Industry (concluded)**

**December 31, 2014**

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

Name of Issuer	Fair Value as of 12/31/13	Gross Additions	Gross Reductions	Fair Value as of 12/31/14
Aravis Biotech II, Limited Partnership	\$ 3,084,787	\$ 77,156	\$—	\$ 1,984,736
Ixodes AG – Preferred Shares B	1,291,901	—	—	683,480
SelFrag AG – Class A – Preferred Shares	935,650	94,134	—	529,267
Zurmont Madison Private Equity, Limited Partnership	15,067,184	313,480	—	12,978,154
	<u>\$20,379,522</u>	<u>\$484,770</u>	<u>\$—</u>	<u>\$16,175,637</u>

\* *Cost for Federal income tax purposes is \$217,805,586 and net unrealized appreciation (depreciation) consists of:*

<i>Gross Unrealized Appreciation</i>	\$127,978,038
<i>Gross Unrealized Depreciation</i>	(13,804,732)
<i>Net Unrealized Appreciation (Depreciation)</i>	<u>\$114,173,306</u>

**PORTFOLIO HOLDINGS**

**% of Net Assets as of December 31, 2014**

Common Stocks	
Pharmaceuticals	26.55%
Food & Beverage	15.18%
Industrial Goods & Services	8.51%
Biotechnology	6.60%
Banks	6.42%
Personal & Household Goods	5.89%
Medical Equipment	5.43%
Construction & Materials	4.28%
Chemicals	4.16%
Insurance	3.67%
Financial Services	2.74%
Technology	1.79%
Retail	0.99%
Preferred Stocks	
Biotechnology	0.69%
Industrial Goods & Services	0.16%
Medical Equipment	0.06%
Private Equity Limited Partnerships	4.39%
Other Assets Less Other Liabilities, net	2.49%
	<u>100.00%</u>

*See Notes to Financial Statements.*

THE SWISS HELVETIA FUND, INC.

Statement of Assets and Liabilities

December 31, 2014

**Assets:**

Unaffiliated investments, at value (cost \$199,286,499) .....	\$315,803,255
Affiliated investments, at value (cost \$19,764,346) .....	16,175,637
Total investments, at value (cost \$219,050,845) .....	<u>331,978,892</u>
Cash .....	58,861,919
Foreign currency (cost \$8,549,331) .....	8,501,655
Tax reclaims receivable .....	119,869
Prepaid expenses .....	58,176
Total assets .....	<u>399,520,511</u>

**Liabilities:**

Capital gains distributions payable .....	58,492,395
Advisory fees payable .....	212,291
Directors' fees payable .....	20,454
Other fees and expenses payable .....	<u>338,480</u>
Total Liabilities .....	<u>59,063,620</u>
Net assets .....	<u>\$340,456,891</u>

**Composition of Net Assets:**

Paid-in capital .....	222,078,530
Accumulated net investment income .....	(486,424)
Accumulated net realized gain from investments and foreign currency transactions .....	6,002,957
Net unrealized appreciation on investments, foreign currency, and foreign currency translations .....	<u>112,861,828</u>
Net assets .....	<u>\$340,456,891</u>

**Net Asset Value Per Share:**

(\$340,456,891 ÷ 26,648,016 shares outstanding, \$0.001 par value: 50 million shares authorized) .....	<u>\$ 12.78<sup>(a)</sup></u>
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<sup>(a)</sup> The net asset value for financial reporting purposes, \$12.78, differs from the net asset value reported on December 31, 2014, \$12.82, due to adjustments made in accordance with accounting principles generally accepted in the United States of America.  
See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Statement of Operations

For the Year Ended December 31, 2014

**Investment Income:**

Dividends (less foreign tax withheld of \$1,115,438) .....	\$ 8,184,191
Dividend from affiliate .....	38,138
Total income .....	8,222,329

**Expenses:**

Investment advisory fees (Note 2) .....	3,032,454
Administration fees .....	296,153
Directors' fees and expenses .....	582,980
Professional fees (Note 3) .....	1,391,988
Printing and shareholder reports .....	139,226
Accounting fees .....	109,772
Delaware franchise tax fees .....	90,000
Custody fees .....	77,746
Insurance fees .....	75,194
Compliance services fees .....	65,713
Transfer agency fees .....	43,922
Miscellaneous expenses .....	90,872
Total expenses .....	5,996,020
Net investment income .....	2,226,309

**Realized and Unrealized Gain (Loss) on Investments and Foreign Currency:**

Net realized gain (loss) from:	
Investments sold .....	67,131,022
Foreign currency transactions .....	(3,861,222)
Net change in unrealized appreciation (depreciation) from:	
Investments .....	(74,436,491)
Foreign currency and foreign currency translations .....	(693,845)
Net Realized and Unrealized Loss on Investments and Foreign Currency .....	(11,860,536)

<b>Net Decrease in Net Assets from Operations</b> .....	<b>\$ (9,634,227)</b>
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*See Notes to Financial Statements.*

THE SWISS HELVETIA FUND, INC.

Statements of Changes in Net Assets

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
<b>Increase (Decrease) in Net Assets:</b>		
<b>Operations:</b>		
Net investment income .....	\$ 2,226,309	\$ 2,589,448
Net realized gain (loss) from:		
Investments sold .....	67,131,022	34,673,977
Foreign currency transactions .....	(3,861,222)	(402,261)
Net change in unrealized appreciation (depreciation) from:		
Investments .....	(74,436,491)	70,931,196
Foreign currency and foreign currency translations .....	(693,845)	640,018
Net increase (decrease) in net assets from operations .....	<u>(9,634,227)</u>	<u>108,432,378</u>
<b>Distributions to Stockholders from:</b>		
Net investment income and net realized gain from foreign currency transactions .....	(1,062,296)	(2,111,695)
Net realized capital gain .....	<u>(62,263,544)</u>	<u>(31,145,742)</u>
Total distributions to stockholders .....	<u>(63,325,840)</u>	<u>(33,257,437)</u>
<b>Capital Share Transactions:</b>		
Value of shares issued in reinvestment of dividends and distributions .....	9,900,158	—
Value of shares repurchased through stock buyback .....	—	(5,566,067)
Value of shares repurchased through tender offer (Note 7) .....	<u>(68,371,636)</u>	<u>—</u>
Total decrease from capital share transactions .....	<u>(58,471,478)</u>	<u>(5,566,067)</u>
Total increase (decrease) in net assets .....	<u>(131,431,545)</u>	<u>69,608,874</u>
<b>Net Assets:</b>		
Beginning of year .....	<u>471,888,436</u>	<u>402,279,562</u>
End of year (including accumulated net investment income(loss) of \$(486,424) and \$2,070,025, respectively) .....	<u>\$ 340,456,891</u>	<u>\$471,888,436</u>

See Notes to Financial Statements.



## THE SWISS HELVETIA FUND, INC.

### Financial Highlights

	For the Years Ended December 31,				
	2014	2013	2012	2011	2010
<b>Per Share Operating Performance:</b>					
Net asset value at the beginning of the year	\$ 15.46	\$ 12.99	\$ 11.54	\$ 15.42	\$ 13.39
<b>Income from Investment Operations:</b>					
Net investment income <sup>1</sup>	0.08	0.08	0.16	0.17	0.09
Net realized and unrealized gain (loss) on investments <sup>2</sup>	(0.40)	3.45	1.42	(2.04)	2.31
Total from investment activities	(0.32)	3.53	1.58	(1.87)	2.40
Gain from capital share repurchases	—	0.03	—	0.02	0.12
Gain from tender offer	0.05	—	—	0.02	—
Capital change resulting from the issuance of fund shares	(0.03)	—	(0.06)	(0.07)	—
<b>Less Distributions:</b>					
Dividends from net investment income and net realized gains from foreign currency transactions	(0.04)	(0.07)	(0.06)	(0.18)	(0.23)
Distributions from net realized capital gains	(2.34)	(1.02)	(0.01)	(1.80)	(0.26)
Total distributions	(2.38)	(1.09)	(0.07)	(1.98)	(0.49)
Net asset value at end of year	<u>\$ 12.78<sup>3</sup></u>	<u>\$ 15.46<sup>4</sup></u>	<u>\$ 12.99</u>	<u>\$ 11.54</u>	<u>\$ 15.42</u>
Market value per share at end of year	<u>\$ 11.14</u>	<u>\$ 13.95</u>	<u>\$ 11.29</u>	<u>\$ 9.95</u>	<u>\$ 13.54</u>
<b>Total Investment Return:<sup>5</sup></b>					
Based on market value per share	(3.66)%	33.10%	14.17%	(13.03)%	20.79%
Based on net asset value per share	(0.27)% <sup>3</sup>	28.18% <sup>4</sup>	13.26%	(11.43)%	19.38%
<b>Ratios to Average Net Assets:</b>					
Net expenses	1.41%	1.30%	1.44%	1.32%	1.34%
Gross expenses	1.41%	1.30%	1.44%	1.33% <sup>6</sup>	1.38% <sup>6</sup>
Net investment income	0.52%	0.57%	1.32%	1.19%	0.66%
<b>Supplemental Data:</b>					
Net assets at end of year (000's)	\$340,457	\$471,888	\$402,280	\$343,864	\$467,309
Average net assets during the year (000's)	\$426,661	\$456,196	\$376,713	\$439,369	\$424,627
Portfolio turnover rate	48%	45%	61%	55%	61%

<sup>1</sup> Calculated using the average shares method.

<sup>2</sup> Includes net realized and unrealized currency gain and losses.

<sup>3</sup> The net asset value ("NAV") for financial reporting purposes, \$12.78, differs from the NAV reported on December 31, 2014, \$12.82, due to adjustments made in accordance with accounting principles generally accepted in the United States of America.

<sup>4</sup> The NAV for financial reporting purposes, \$15.46, differs from the NAV reported on December 31, 2013, \$15.39, due to adjustments made in accordance with accounting principles generally accepted in the United States of America.

<sup>5</sup> Total investment return based on market value differs from total investment return based on net assets value due to changes in relationship between Fund's market price and its NAV per share.

<sup>6</sup> Reflects the expense ratio excluding any waivers and/or expense reimbursements.

See Notes to Financial Statements.

## Notes to Financial Statements

### 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 management investment 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 may also acquire and hold equity and equity-linked securities of non-Swiss companies in limited instances.

#### B. Securities Valuation

The Fund values its investments at fair value in accordance with accounting principles generally accepted in the United States (“GAAP”).

When valuing listed equity securities, the Fund uses the last sale price on the securities exchange or national securities market on which such securities primarily are traded (the “Primary Market”) prior to the calculation of the Fund’s net asset value (“NAV”). When valuing equity securities that are not listed (except privately-held companies and private equity limited partnerships) or that are listed but have not traded on a day on which the Fund calculates its NAV, the Fund uses the mean between the bid and asked prices for that day. If there are no asked quotations for such a security, the value of such security will be the most recent bid quotation on the Primary Market on that day. On any day when a security’s Primary Market is closed because of a local holiday or other scheduled closure, but the New York Stock Exchange is open, the Fund may use the prior day’s closing prices to value such security regardless of the length of the scheduled closing.

When valuing fixed-income securities, the Fund uses the last bid price prior to the calculation of the Fund’s NAV. If there is no current bid price for a fixed-income security, the value of such security will be the mean between the last quoted bid and asked prices on that day. Overnight and certain other short-term fixed-income securities with maturities of less than sixty days will be valued by the amortized cost method, unless it is determined that the amortized cost method would not represent the fair value of such security.

It is the responsibility of the Fund’s Board of Directors (the “Board”) to establish procedures to provide for the valuation of the Fund’s portfolio holdings. 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 (a “Fair Value”). 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.

Swiss exchange-listed options, including Eurex-listed options, are valued at their most recent sale price (latest bid for long options and the latest ask for short options) on the Primary Market, or if there are no such sales, at the average of the most recent bid and asked quotations on such Primary Market, or if such quotations are not available, at the last bid quotation (in the case of purchased options) or the last asked quotation (in the case of written options). If, however, there are no such quotations, such options will be valued using the implied volatilities observed for similar options or from aggregated data as an input to a model. Options traded in the over-the-counter market are valued at the price communicated by the counterparty to the option, which typically is the price at which the counterparty would close out the transaction. Option contracts that are neither exchange-listed nor traded in the over-the-counter market, and where no broker can provide a quote or approved pricing vendor a price, may be valued using the implied volatilities observed for similar instruments or from aggregated market data received from services (*e.g.*, Bloomberg) as an input to a widely-accepted model.

## THE SWISS HELVETIA FUND, INC.

### Notes to Financial Statements (continued)

The Fund is permitted to invest in investments that do not have readily available market quotations. For such investments, the Act requires the Board to determine their Fair Value. The aggregate value of these investments amounted to \$22,130,508, or 6.50% of the Fund's net assets at December 31, 2014, and are listed in Note 3 to the Schedule of Investments.

Various inputs are used to determine the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1—unadjusted quoted prices in active markets for identical assets and liabilities

Level 2—other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2014:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total
<b>Investments in Securities</b>				
Common Stock*	\$309,848,384	\$—	\$ 4,082,631	\$313,931,015
Preferred Stock*	—	—	3,084,987	3,084,987
Private Equity Limited Partnerships	—	—	14,962,890	14,962,890
Total Investments in Securities	<u>\$309,848,384</u>	<u>\$—</u>	<u>\$22,130,508</u>	<u>\$331,978,892</u>

\* Please see the Schedule of Investments for industry classifications.

Level 3 securities, which are listed in Note 3 to the Schedule of Investments, consist of the Fund's investments in privately-held companies and private equity limited partnerships that invest in privately-held companies.

Inputs and valuation techniques used by the Fund to value its Level 3 investments in privately-held companies may include the following: acquisition cost; fundamental analytical data; discounted cash flow analysis; nature and duration of restrictions on disposition of the investment; public trading of similar securities of similar issuers; economic outlook and condition of the industry in which the issuer participates; financial condition of the issuer; and the issuer's prospects, including any recent or potential management or capital structure changes. Although these valuation inputs may be observable in the marketplace as is characteristic of Level 2 investments, the privately-held companies, categorized as Level 3 investments, generally are highly illiquid in terms of resale.

The Fund values its Level 3 investments in the two private equity limited partnerships in accordance with Accounting Standards Codification 820-10-35, "Investments in Certain Entities that Calculate Net Asset Value Per Share (Or its Equivalent)" ("ASC 820-10-35"). ASC 820-10-35 permits a reporting entity to measure the fair value of an investment that does not have a readily determinable fair value, based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different than the NAV. If the NAV of the investment is not as of the Fund's measurement date, then the NAV should be adjusted to reflect any significant events that may change the valuation. Inputs and valuation techniques for these adjustments may include fair valuations of the partnerships and their portfolio holdings provided by the partnerships' general partners or managers, other available information about the partnerships' portfolio holdings, values obtained on redemption from other limited partners, discussions with the partnerships' general partners or managers and/or other limited partners and comparisons of previously-obtained estimates to the partnerships' audited financial statements. In using the unadjusted NAV as a practical

## THE SWISS HELVETIA FUND, INC.

### Notes to Financial Statements (continued)

expedient, certain attributes of the investment that may impact its fair value are not considered. Attributes of those investments include the investment strategies of the privately-held companies and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date and any unfunded commitments.

When valuing Level 3 investments, management also may consider potential events that could have a material impact on the operations of a privately-held company or private equity limited partnership. Not all of these factors may be considered or available, and other relevant factors may be considered on an investment-by-investment basis. The table below summarizes the techniques and unobservable inputs for the valuation of Level 3 investments.

Quantitative Information about certain Level 3 Fair Value Measurements

	Fair Value at December 31, 2014	Valuation Technique	Unobservable inputs	Range <sup>1</sup>
Privately-held companies				
Medical Equipment <sup>2</sup>	\$686,439	Discounted cash flow	Weighted average cost of capital Expected compound annual growth rate of revenue (10 years)	12.4%-17%  27%-47%
Privately-held companies				
Medical Equipment <sup>3</sup>	\$1,984,925	Market approach	Recent round of financing	N/A
Privately-held companies				
Biotechnology <sup>4</sup>	\$3,283,507	Market approach	Recent round of financing	N/A
Privately-held companies				
Biotechnology <sup>5</sup>	\$683,480	Discounted cash flow	Weighted average cost of capital Success rate on research and development	16%  40%
Privately-held companies				
Industrial Goods & Services <sup>6</sup>	\$529,267	Discounted cash flow	Weighted average cost of capital Expected compound annual growth rate of revenue (5 years)	14%  37%
Private Equity Limited Partnerships				
Biotechnology	\$1,984,736	NAV as a practical expedient	N/A	N/A
Private Equity Limited Partnerships				
Financial Services	\$12,978,154	NAV as a practical expedient	N/A	N/A
<b>Total</b>	<b>\$22,130,508</b>			

<sup>1</sup> Significant changes in any of these ranges would result in a significantly higher or lower fair value measurement. Generally, a change in the success rate on research and development or the expected long-term 10-year revenue growth rate is accompanied by a directionally similar change in fair value. Conversely, a change in the weighted average cost of capital is accompanied by a directionally opposite change in fair value.

<sup>2</sup> Kuros Biosurgery AG—Common Shares were valued based on this technique.

<sup>3</sup> EyeSense AG—Preferred Shares, Spineart SA—Common Shares were valued based on this technique.

<sup>4</sup> NovImmune SA Common Shares and Preferred Shares were valued based on this technique.

<sup>5</sup> Ixodes AG Preferred Shares were valued based on this technique.

<sup>6</sup> SelfFrag AG—Preferred Shares were valued based on this technique.

## THE SWISS HELVETIA FUND, INC.

### Notes to Financial Statements (continued)

The Fund's policy is to disclose transfers between Levels based on their market prices at the reporting period end. There were no transfers between Levels for the year ended December 31, 2014.

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value.

	Common Stock	Preferred Stock	Private Equity Limited Partnerships	Total
Balance as of December 31, 2013	\$5,064,380	\$ 6,050,106	\$18,151,971	\$29,266,457
Change in Unrealized Appreciation/Depreciation*	(981,749)	(3,059,253)	(2,663,408)	(6,704,410)
Net Realized Gain (Loss)	—	—	—	—
Gross Purchases**	—	94,134	390,636	484,770
Gross Sales**	—	—	(916,309)	(916,309)
Balance as of December 31, 2014	<u>\$4,082,631</u>	<u>\$ 3,084,987</u>	<u>\$14,962,890</u>	<u>\$22,130,508</u>

\* The noted amounts of change in unrealized appreciation/depreciation relate to the fair value of Level 3 assets held on December 31, 2014.

\*\* For private equity investments, represents contributions of capital or return of capital distributions received.

#### 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 to a specific offsetting transaction.

Dividend income, net of any foreign taxes withheld, is recorded on the ex-dividend date. Interest income, including amortization of premium and accretion of discount, 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.

Distributions received from securities that represent a return of capital or capital gains are recorded as a reduction of cost of investment and/or as a realized gain.

#### D. Distributions

The Fund pays dividends at least annually to the extent it has any federally taxable net investment income and makes distributions of any net realized capital gains to the extent that 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 of 1986, as amended (the "Code"). Distributions may be paid either in cash or in stock with an option to take cash. The Fund records dividends and distributions on the ex-dividend date.

#### E. Federal Income Taxes

The Fund's policy is to continue to comply with the requirements of the 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 GAAP. See Note 5 for federal income tax treatment of foreign currency gains/losses.

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years and has concluded that no provision for federal income tax is required in the Fund's financial statements. The Fund files federal tax returns which remain open for examination generally for the current year and the three prior years. In addition, the Fund holds investments in Switzerland and other foreign tax jurisdictions. Withholding taxes on foreign interest and dividends have been provided for in accordance with each applicable country's tax rules and rates.

## Notes to Financial Statements (continued)

### F. Foreign Currency Translation

The Fund maintains its accounting records in U.S. dollars. The Fund's assets are invested primarily in Swiss equities. In addition, the Fund can make its temporary investments in Swiss franc-denominated bank deposits, short-term debt securities and money market instruments. Substantially all income received by the Fund is in Swiss francs. The Fund's NAV, however, is reported, and distributions from the Fund are made, in U.S. dollars, resulting in gain or loss from currency conversions in the ordinary course of business. Historically, the Fund has not entered into transactions designed to reduce currency risk and does not intend to do so in the future. The cost basis of foreign denominated assets and 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 foreign currency gain/loss. 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 shown in the Fund's financial statements result from the sale of foreign currencies, from currency gains or losses realized between the trade and settlement dates of 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, 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 translations resulting in realized and unrealized gain or loss are disclosed separately.

### G. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

### H. Concentration of Market Risk

The Fund primarily invests in securities of Swiss issuers. Such investments may carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, unfavorable movements in the Swiss franc relative to the U.S. dollar, and the possible imposition of exchange controls and changes in governmental law and restrictions. In addition, concentrations of investments in securities of issuers located in a specific region expose the Fund to the economic and government policies of that region and may increase risk compared to a fund whose investments are more diversified.

### Note 2—Fees and Transactions with Affiliates

Effective July 1, 2014, Schroder Investment Management North America Inc. ("SIMNA") and its affiliate, Schroder Investment Management North America Limited ("SIMNA Ltd" and together with SIMNA, "Schroders"), commenced serving as the Fund's investment adviser and investment sub-adviser, respectively. The Fund pays SIMNA an annual advisory fee of 0.70% of the Fund's average month-end net assets up to \$250 million, 0.60% of such assets in excess of \$250 million and up to \$350 million, 0.55% of such assets in excess of \$350 million and up to \$450 million, 0.50% of such assets in excess of \$450 million and up to \$550 million, and 0.45% of such assets in excess of \$550 million. As compensation for its investment sub-advisory services, SIMNA Ltd receives 40% of the advisory fee paid by the Fund to SIMNA.

The Fund pays each Director who is not an "interested person" (as such term is defined in the Act) of the Fund or Schroders ("Non-Interested Directors"), \$40,821 annually in compensation, except for the Chairman of the Board to whom the Fund pays an annual



## THE SWISS HELVETIA FUND, INC.

### Notes to Financial Statements (continued)

fee of \$54,467 and for the Chairs of the Audit, the Pricing and the Governance/Nominating Committees to each of whom the Fund pays an annual fee of \$46,700. In addition, the Fund pays each Non-Interested Director \$1,300 for each Board meeting attended and pays each Non-Interested Director who is a member of a Committee a fee of \$750 for each Committee meeting attended. Committee meeting fees are paid for only those meetings held separately from other meetings. The Board or a Committee may establish ad hoc committees or subcommittees. Any Committee or sub-committee member may be compensated by the Fund for incremental work outside of the regular meeting process based on the value determined to be added to the Fund.

Through June 30, 2014, Hottinger Capital Corp. (“HCC”), which is wholly-owned by Banque Hottinger & Cie SA, served as the Fund’s investment adviser. The Fund’s investment advisory agreement with HCC terminated, in accordance with its terms, on June 30, 2014. Under that agreement, the Fund paid HCC an annual advisory fee based on its month-end net assets which accrued daily and was calculated and paid monthly at the following annual rates: 1.00% of the first \$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, 0.50% of next \$200 million and 0.45% of such assets in excess of \$800 million.

Through June 30, 2014, the Fund and HCC had agreed to share equally certain common expenses subject to review by the Audit Committee of the Board. During the period ended June 30, 2014, \$3,500 of expenses incurred in connection with publicizing the Fund were shared equally by the Fund and HCC. Certain persons who served as officers and Directors of the Fund during the period ended June 30, 2014 also served as officers or directors of HCC and Banque Hottinger & Cie SA. These persons were not paid by the Fund for serving in these capacities.

#### Note 3—Other Service Providers

Citi Fund Services Ohio, Inc. (“Citi” or the “Administrator”) provides certain administration and portfolio accounting services to the Fund, American Stock Transfer & Trust Company is the Fund’s transfer agent, and Citibank, N.A. serves as the Fund’s custodian. The Fund pays these service providers’ fees, which are accrued daily and paid monthly.

In addition to its other service provider fees, the Fund incurs certain professional fees, including fees of its outside legal counsel and legal counsel to the Fund’s Non-Interested Directors as well as fees of its independent registered public accounting firm. Those fees vary depending on the nature of the Fund’s activities each year. Due to the tender offer in the first quarter of 2014, the work associated with the change in the Fund’s investment adviser throughout the year, and the change in the Fund’s independent registered accounting firm, the Fund incurred additional professional fees in 2014 that are not expected to be recurring expenses.

#### Note 4—Capital Share Transactions

The Fund is authorized to issue up to 50 million shares of capital stock. Transactions in capital shares were as follows:

	For the Year Ended December 31, 2014		For the Year Ended December 31, 2013	
	Shares	Amount	Shares	Amount
Dividends Reinvested	697,628	\$ 9,900,158	—	\$ —
Repurchased from Buyback	—	—	(439,377)	(5,566,067)
Repurchased from Tender Offer	(4,579,480)	(68,371,636)	—	—
Net Decrease	(3,881,852)	\$(58,471,478)	(439,377)	\$(5,566,067)

#### Note 5—Federal Income Tax and Investment Transactions

As of December 31, 2014, accumulated net investment income and accumulated net realized gain from investments and foreign currency transactions have been adjusted for current period permanent book/tax differences which arose principally from differing book/tax treatment of foreign currency transactions and utilization of equalization distributions.

## THE SWISS HELVETIA FUND, INC.

### Notes to Financial Statements (continued)

The following reclassification was the result of currency reclassifications and has no impact on the net assets of the Fund.

Accumulated Net Investment Income	\$(3,720,462)
Accumulated Net Realized Gain	1,013,926
Paid-in Capital	<u>2,706,536</u>

The tax character of distributions paid during 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Ordinary Income	\$ 4,833,445	\$ 6,686,721
Short-Term Capital Gains	—	4,575,027
Long-Term Capital Gains	58,492,395	26,570,715
Total	<u>\$63,325,840</u>	<u>\$37,832,463</u>

Under current tax law, capital losses and specified ordinary losses realized after October 31 may be deferred and treated as occurring on the first business day of the following fiscal year. The Fund had \$3,538,273 of deferred post-October capital and currency losses which will be treated as arising on the first business day following the fiscal year ending December 31, 2014.

At December 31, 2014, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$ 2,105,204
Undistributed Long-Term Capital Gains	5,704,344
Qualified late-year losses	(3,538,273)
Unrealized Appreciation	114,107,086
Total	<u>\$118,378,361</u>

The differences between book basis and tax basis distributable earnings are primarily attributable to tax deferral of wash sales and investments in partnerships.

Gains and losses from foreign currency transactions are treated as ordinary income and loss, respectively, for federal income tax purposes.

The aggregate cost of purchases and proceeds from sales of investments, other than short-term obligations, for the period ending December 31, 2014 were \$197,101,736 and \$333,905,122, respectively.

The following summarizes all distributions declared by the Fund during the year ended December 31, 2014:

<u>Distribution</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Amount</u>
Ordinary Income	6/18/14	7/24/14	\$0.040
Short-Term Capital Gains	6/18/14	7/24/14	\$0.142
Long-Term Capital Gains	12/17/14	1/23/15	<u>\$2.195</u>
Total Distributions			<u>\$2.377</u>

#### 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 in 1999. The Board has authorized a stock repurchase program permitting such purchases by the Fund in each subsequent year, except that no such program has been approved for 2015. The principal purpose of the stock repurchase program has been to enhance stockholder value by increasing the Fund's NAV per share without adversely affecting the Fund's expense ratio.

## THE SWISS HELVETIA FUND, INC.

### Notes to Financial Statements (concluded)

The Fund intends to repurchase shares of its common stock in the future, at such times and in such amounts as is deemed advisable and in accordance with applicable law, subject to various factors, including the limitations imposed by the federal securities laws governing the repurchase of an issuer's stock by the issuer and the ability of the Fund to raise cash to repurchase shares of the Fund's common stock in a tax-efficient manner.

#### Note 7—Tender Offer

On December 3, 2013, the Fund announced a one-time tender offer program (the "Program"), which was approved by the Fund's Board. Commencing on January 10, 2014, the Fund conducted a tender offer (the "Offer") to its stockholders in accordance with the Program. Pursuant to the Offer, the Fund offered to purchase up to 15% of its issued and outstanding shares of common stock at a price equal to 95% of its NAV per share, as determined by the Fund on February 12, 2014. The Offer terminated on February 11, 2014.

Approximately 19,260,691 shares of the Fund's common stock, or approximately 63% of the Fund's issued and outstanding common stock, were tendered in the Offer. As a result, the Offer was oversubscribed and, pursuant to the terms of the Offer, not all of the shares that were tendered were accepted for payment by the Fund. Under the final proration calculation, approximately 23.8% of the Fund's shares that were tendered were accepted for payment. The Fund repurchased and retired 4,579,480 shares at a price of \$14.93 per share, resulting in an aggregate repurchase price of \$68,371,636. This difference between the Fund's NAV and the repurchase price resulted in a gain to the Fund of \$1,511,228, or a \$0.05 increase to the Fund's NAV per share.

#### Note 8—Capital Commitments

As of December 31, 2014, the Fund maintains illiquid investments in two private equity limited partnerships. These investments appear in the Fund's Schedule of Investments. The Fund's capital commitments for these partnerships are shown in the table below:

<u>Investments</u>	<u>Original Capital Commitment*</u>	<u>Unfunded Commitment*</u>	<u>Fair Value as of December 31, 2014</u>
<b>Private Equity Limited Partnerships—International (a)</b>			
Aravis Biotech II, Limited Partnership	\$ 3,270,605	\$320,192	\$ 1,984,736
Zurmont Madison Private Equity, Limited Partnership	14,088,759	365,757	12,978,154

\* The original capital commitment represents 3,250,000 and 14,000,000 Swiss francs for Aravis Biotech II, LP and Zurmont Madison Private Equity LP, respectively. The unfunded commitment represents 318,175 and 363,453 Swiss francs, respectively. The Swiss franc (CHF)/U.S. dollar exchange rate as of December 31, 2014 was used for conversion and equals 0.9937.

(a) This category consists of two private equity limited partnerships that invest primarily in ventures, biotechnology and in management buyout of industrial and consumer goods companies. There is no redemption right for the interests in these two limited partnerships. Instead, the nature of the investments in this category is that distributions are received through the realization of the underlying assets of the limited partnership.

#### Note 9—Subsequent Events

Management has evaluated subsequent events through the date financial statements were issued. Based on the evaluation, no additional disclosures or adjustments were required to the financial statements as of December 31, 2014.

## THE SWISS HELVETIA FUND, INC.

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### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of  
The Swiss Helvetia Fund, Inc.:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments by industry, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Swiss Helvetia Fund, Inc. (the "Fund") at December 31, 2014, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2014 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The statement of changes in net assets presented for the year ended December 31, 2013 and the financial highlights presented for each of the four years in the period ended December 31, 2013 were audited by another independent registered public accounting firm whose report dated February 28, 2014 expressed an unqualified opinion on those statements and financial highlights.

PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
February 27, 2015

## 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.

### Proxy Voting Information

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available, without charge and upon request, by calling (800) 730-2932 and on the SEC's website at <http://www.sec.gov>. The Fund's proxy voting record for the twelve-month period ended June 30 is available, without charge and upon request, by calling (800) 730-2932 and on the SEC's website at <http://www.sec.gov>.

### 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.

### Code of Ethics

The Board of Directors of the Fund and the Advisor have adopted Codes of Ethics pursuant to Rule 17j-1 under the Act and Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Codes"). The Codes apply to the personal investing activities of various individuals including directors and officers of the Fund, the Fund's portfolio managers 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 managers' 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.

## THE SWISS HELVETIA FUND, INC.

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### Additional Information (Unaudited) (concluded)

#### Tax Information for the Year Ended December 31, 2014

##### Distributions

The Fund designates 86.37% of its ordinary income dividend distributions for the qualified dividend rate (QDI) as defined in Section 1(h)(11) of the Internal Revenue Code.

The amounts may differ from those elsewhere in this report because of difference between tax and financial reporting requirements. For federal income tax purposes, distributions from short-term capital gains are classified as ordinary income. The Fund's distributions to stockholders of long-term capital gains included \$61,198,931 in connection with the distribution paid January 23, 2015 to stockholders of record on December 17, 2014.

The Fund intends to elect to pass through to stockholders the income tax credit for taxes paid to foreign countries. Foreign source income and foreign tax expense per outstanding shares on December 31, 2014, were \$0.35 and \$0.04 per share, respectively.

**THE SWISS HELVETIA FUND, INC.**

**Certain Information Concerning Directors (Unaudited)**

The following tables set forth certain information about each person currently serving as a Director of the Fund, including his or her beneficial ownership of Common Stock of the Fund. All information presented in the tables is as of December 31, 2014. Each of the Directors has been determined to be a non-interested Director under the Investment Company Act of 1940, as amended.

<i>Class I Directors (Terms Will Expire in 2016)</i>				
Name, Address & Age <sup>1</sup>	Position(s) with Fund (Since)	Principal Occupation(s) During At Least The Past Five Years	Other Directorships Held By Director During At Least The Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>2</sup>
Jean-Marc Boillat  Age: 72	Director (2005); and Member of the Governance/ Nominating Committee (2005), the Pricing Committee (2009 to 2011; 2012 to 2014) and the Audit Committee (2014)	Former CEO, Tornos-Bechler S.A., Moutier; Former Ambassador of Switzerland in various countries, including Lebanon, Cyprus, Angola, Mozambique and Argentina	None	3,000 \$10,001-\$50,000
R. Clark Hooper  Age: 68	Director (2007); and Member of the Audit Committee (2007) and the Governance/ Nominating Committee (2007)	President of Dumbarton Group LLC (regulatory consulting) from 2003 to 2007; Various positions, including Executive Vice President of Regulatory Policy and Oversight (2002-2003) and Strategic Programs (1992-2002) of the National Association of Securities Dealers, Inc. (currently, Financial Industry Regulatory Authority, Inc.) from 1972 to 2003	Director (72 funds) and Chair (66 funds) of certain funds in the American Funds fund complex; Director of JP Morgan Value Opportunities Fund from 2005 to 2014; Member of the Executive Committee and Board of Trustees of Hollins University (VA); and Member of the Executive Committee and Board of Trustees of Children's Hospital of Philadelphia (PA)	1,790 \$10,001-\$50,000



**THE SWISS HELVETIA FUND, INC.**

**Certain Information Concerning Directors (Unaudited) (continued)**

<i>Class II Directors (Terms Will Expire in 2017)</i>				
Name, Address & Age <sup>1</sup>	Position(s) with Fund (Since)	Principal Occupation(s) During At Least The Past Five Years	Other Directorships Held By Director During At Least The Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>2</sup>
Samuel B. Witt, III, Esq.  Age: 79	Director (1987) and Chairman of the Board of Directors (2006); and Member of the Governance/ Nominating Committee (2002)	Samuel B. Witt, III, Attorney-at-Law	Trustee of The Williamsburg Investment Trust (11 funds)	7,713 \$50,001-\$100,000
Claus Helbig  Age: 73	Director (2008); Member (2008) and Chair (2013) of the Governance/ Nominating Committee; and Member of the Audit Committee (2009 to 2014) and the Pricing Committee (2009)	Attorney-at-Law; Member of the Supervisory Board of: Audi AG (Ingolstadt) from 1998 to 2008, Bankhaus August Lenz & Co. AG (Munich) (Chairman) since 2002, GLL Real Estate Partners GmbH (Munich) (Chairman) since 2001, and HCM Capital Management AG (Munich) (Vice-Chairman) from 2004 to 2010; Member of the European Advisory Board of Booz Allen Hamilton from 2003 to 2011; and Member of the Global Advisory Board of Millennium Associates, Zug/ CH from 2007 to 2010; Director of Leo Capital Growth SPC (Ireland) since 2007; Director of Société Horlogère Reconvilier AG, Zug/Suisse since 2011	None	1,000 \$10,001-\$50,000
Richard Brealey  Age: 78	Director (1987 to 1996 and since 2009); Member (2009) and Chair (2012) of the Pricing Committee; and Member of the Governance/ Nominating Committee (2009) and the Audit Committee (2012)	Emeritus Professor London Business School (LBS); Full-time faculty member LBS from 1968 to 1998; Special Advisor to the Governor of the Bank of England 1998-2001	Director of the HSBC Investor Funds from 2004 to 2008	17,214 Over \$100,000

**THE SWISS HELVETIA FUND, INC.**

**Certain Information Concerning Directors (Unaudited) (concluded)**

<i>Class III Directors (Terms Will Expire in 2015)</i>				
Name, Address & Age <sup>1</sup>	Position(s) with Fund (Since)	Principal Occupation(s) During At Least The Past Five Years	Other Directorships Held By Director During At Least The Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>2</sup>
Brian A. Berris  Age: 70	Director (2012); Member and Chair (2013) of the Audit Committee; and Member of the Governance/ Nominating Committee (2012)	Partner, Brown Brothers Harriman & Co. since 1991; Member of the Audit Committee of Brown Brothers Harriman & Co.; Director and Member of the Audit Committee of Brown Brothers Harriman Trust Company (Cayman) Limited; Member of the Pension Investment Committee of Brown Brothers Harriman & Co.	None	5,000 \$50,001-\$100,000
David R. Bock  Age: 71	Director (2010); and Member of the Governance/ Nominating Committee (2010), the Pricing Committee (2010) and the Audit Committee (2012)	Managing Partner, Federal City Capital Advisors since 1997; Interim CEO, Oxford Analytical, January to June 2010; Executive Vice President and Chief Financial Officer of I-trax, Inc. (health care services) from 2004 to 2008; Managing Director of Lehman Brothers from 1992 to 1995; Executive at The World Bank from 1974 to 1992	Director of the Pioneer Funds (53 portfolios) since 2005; Director and Member of the International Advisory Board of Oxford Analytica (political and economic consulting) since 2008; Director of Enterprise Community Investment (private investment company) from 1985 to 2010; Director of New York Mortgage Trust from 2004 to 2008 and since 2012; Director of I-trax, Inc. from 2000 to 2004	5,389 \$50,001-\$100,000

**THE SWISS HELVETIA FUND, INC.**

**Certain Information Concerning Officers (Unaudited)**

The following table sets forth certain information about each person currently serving as an Officer of the Fund, including his or her beneficial ownership of Common Stock of the Fund. All information presented in the table is as of December 31, 2014.

<i>Officers<sup>3</sup></i>				
Name, Address & Age <sup>1</sup>	Position(s) with Fund (Since)	Principal Occupation(s) During At Least The Past Five Years	Other Directorships Held By Officer During At Least The Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>2</sup>
Mark A. Hemenetz  Age: 58	President and Principal Executive Officer (2014)	Chief Operating Officer—Americas, SIMNA; Member of Board of Managers, Schroder Fund Advisors LLC (“SFA”); President and Principal Executive Officer of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware)	None	None
Alan M. Mandel  Age: 57	Treasurer and Principal Financial Officer (2014)	Head of Fund Administration, SIMNA; Member of Board of Managers, SFA; Treasurer and Principal Financial and Accounting Officer of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware)	None	1,000 \$10,001-\$50,000
Stephen M. DeTore  Age: 63	Chief Compliance Officer (2014)	Chief Compliance Officer, SIMNA; Member of Board of Managers, SFA; Chief Compliance Officer of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware)	None	None
Abby L. Ingber  Age: 52	Chief Legal Officer and Secretary (2014)	Deputy General Counsel and Managing Lawyer, SIMNA; Member of Board of Managers, SFA; Chief Legal Officer and Secretary/Clerk of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware)	None	None
Carin F. Muhlbaum  Age: 52	Vice President (2014)	General Counsel, SIMNA; Secretary and General Counsel, SFA; Vice President of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware); formerly, Member of Board of Managers, SFA	None	None
William P. Sauer  Age: 51	Vice President (2014)	Head of Investor Services, SIMNA; Vice President of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware)	None	None
David Marshall  Age: 43	Assistant Treasurer (2014)	Manager of Fund Administration, SIMNA; Assistant Treasurer of Schroder Series Trust, Schroder Global Series Trust and Schroder Capital Funds (Delaware); formerly, Vice President of Fund Administration, AMG Funds	None	None

**THE SWISS HELVETIA FUND, INC.**

**Certain Information Concerning Officers (Unaudited) (concluded)**

<i>Officers<sup>3</sup></i>				
Name, Address & Age <sup>1</sup>	Position(s) with Fund (Since)	Principal Occupation(s) During At Least The Past Five Years	Other Directorships Held By Officer During At Least The Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned <sup>2</sup>
Scott Rhodes Citi Fund Services Ohio, Inc. 3435 Stelzer Road Columbus, OH 43219  Age: 55	Assistant Treasurer (2012)	Senior Vice President, Citi (since 2010); Manager, Treasurer of Mutual Funds, and Broker-Dealer Treasurer and Financial & Operations Principal, GE Asset Management, Inc. (2005 to 2010)	None	None
Angel Lanier  Age: 53	Assistant Secretary (2014)	Legal Assistant, SIMNA; Assistant Secretary, Schroder Fund Advisors LLC	None	None
Heather Melito-Dezan Citi Fund Services Ohio, Inc. 100 Summer Street, Suite 1500 Boston, MA 02110  Age: 37	Assistant Secretary (2014)	Assistant Vice President, Regulatory Administration, Citi (since 2013)	None	None

<sup>1</sup> The Address for each Director and Officer, unless otherwise noted, is c/o Schroder Investment Management North America Inc., 875 Third Avenue, 22nd Floor, New York, New York 10022.

<sup>2</sup> All Directors and Officers as a group (17 persons) owned 42,106 shares, which constitutes less than 1.00% of the outstanding Common Stock of the Fund. Share numbers in this Annual Report have been rounded to the nearest whole share.

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

## Dividend Reinvestment Plan (Unaudited)

### The Plan

The Fund's Dividend Reinvestment Plan (the "Plan") offers a convenient way for you to re-invest 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

## Dividend Reinvestment Plan (Unaudited) (concluded)

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

The stock portion of any dividends or distributions you receive is not subject to the Plan. When the Fund declares dividends or distributions payable either in (i) stock or (ii) stock or cash at the election of the stockholder, you will receive newly issued shares of the Fund (unless you elect to receive your dividend or distribution in cash) on terms and conditions that are otherwise identical to those of the Plan.

### 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:

1-888-556-0425

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

## FACTS

### WHAT DOES SCHRODERS DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and account transactions
- assets and investment experience

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Schroders chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Schroders share?	Can you limit this sharing?
<b>For our everyday business purposes —</b> such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations	<b>Yes</b>	<b>No</b>
<b>For our marketing purposes —</b> to offer our products and services to you	<b>Yes</b>	<b>No</b>
<b>For joint marketing with other financial companies</b>	<b>No</b>	<b>We don't share</b>
<b>For our affiliates' everyday business purposes —</b> information about your transactions and experiences	<b>Yes</b>	<b>No</b>
<b>For our affiliates' everyday business purposes —</b> information about your creditworthiness	<b>No</b>	<b>We don't share</b>
<b>For nonaffiliates to market to you</b>	<b>No</b>	<b>We don't share</b>

#### Questions?

For inquiries, call (800) 730-2932 or email [swzintermediary@schroders.com](mailto:swzintermediary@schroders.com)



## Who we are

### Who is providing this notice?

- Schroder Investment Management North America Inc.
- The Swiss Helvetia Fund, Inc.

## What we do

### How does Schroders protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Access to personal information is limited to employees who need it to perform their jobs. Our policies restrict employee use of customer information; requiring it be held in strict confidence.

### How does Schroders collect my personal information?

We collect your personal information, for example, when you

- open an account and provide account information
- give us your contact information
- show your driver's license or government issued ID
- enter into an investment advisory contract
- make a wire transfer

### Why can't I limit all sharing?

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

### Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include companies with the Schroder name; financial companies such as Schroder Investment Management North America Limited and Schroder Investment Management Limited; and others, such as the parent, holding company, Schroders plc.*

### Nonaffiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Nonaffiliates we share with can include companies that help us maintain, process or service your transactions or account(s) or financial products, including companies that perform administrative, accounting, transfer agency, custodial, brokerage or proxy solicitation services, or that assist us in marketing.*

### Joint Marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Schroders doesn't jointly market.*

## THE SWISS HELVETIA FUND, INC.

### Independent Directors and Officers

Samuel B. Witt III, Esq.  
*Chairman (Non-executive)*

Brian A. Berris<sup>1</sup>  
*Director*

David R. Bock<sup>2</sup>  
*Director*

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

Richard A. Brealey<sup>2,3</sup>  
*Director*

Claus Helbig<sup>4</sup>  
*Director*

R. Clark Hooper<sup>2</sup>  
*Director*

Mark A. Hemenetz  
*President*  
*Principal Executive Officer*

Alan M. Mandel  
*Treasurer*  
*Principal Financial Officer*

Stephen M. DeTore  
*Chief Compliance Officer*

Carin F. Muhlbaum  
*Vice President*

William P. Sauer  
*Vice President*

Abby L. Ingber  
*Chief Legal Officer*  
*Secretary*

David Marshall  
*Assistant Treasurer*

Scott Rhodes  
*Assistant Treasurer*

Heather Melito-Dezan  
*Assistant Secretary*

Angel Lanier  
*Assistant Secretary*

<sup>1</sup> *Audit Committee Chair*  
<sup>2</sup> *Audit Committee Member*  
<sup>3</sup> *Pricing Committee Chair*

<sup>4</sup> *Governance/Nominating  
Committee Chair*

### Investment Adviser

Schroder Investment Management North America, Inc.  
875 Third Avenue, 22<sup>nd</sup> Floor  
New York, NY 10022  
(800) 730-2932

### Investment Sub-adviser

Schroder Investment Management North America Ltd.  
31 Gresham Street  
London, EC2V 7QA

### Administrator

Citi Fund Services Ohio, Inc.

### Custodian

Citibank, N.A.

### Transfer Agent

American Stock Transfer & Trust Company  
59 Maiden Lane  
Plaza Level  
New York, NY 10038  
(888) 556-0425

### Legal Counsel

Stroock & Stroock & Lavan LLP

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

### The Investment Adviser

The Swiss Helvetia Fund, Inc. (the "Fund") is managed by Schroder Investment Management North America, Inc. ("SIMNA Inc.")

SIMNA Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC"). It provides asset management products and services to a broad range of clients including Schroder Capital Funds (Delaware), Schroder Series Trust and Schroder Global Series Trust, investment companies registered with the SEC. SIMNA Inc. is part of a global asset management firm with approximately \$447.7 billion in assets under management as of September 30, 2014.

### Executive Offices

The Swiss Helvetia Fund, Inc.  
875 Third Avenue, 22<sup>nd</sup> Floor  
New York, NY 10022  
(800) 730-2932

### For inquiries and reports:

(800) 730-2932

email: [swzintermediary@schroders.com](mailto:swzintermediary@schroders.com)

### Website Address

[www.swzfund.com](http://www.swzfund.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 accessing the Fund's website [www.swzfund.com](http://www.swzfund.com). 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*.





**THE SWISS HELVETIA FUND, INC.**

Executive Offices  
875 Third Avenue, 22nd Floor  
New York, NY 10022  
(800) 730-2932  
[www.swzfund.com](http://www.swzfund.com)



**A SWISS INVESTMENTS FUND**  
[WWW.SWZFUND.COM](http://WWW.SWZFUND.COM)

SWZ AR 12-31-14 Quarterly Report

**ANNUAL REPORT**

For the Year Ended  
December 31, 2014