



Portfolio and Performance Review The Swiss Helvetia Fund, Inc.

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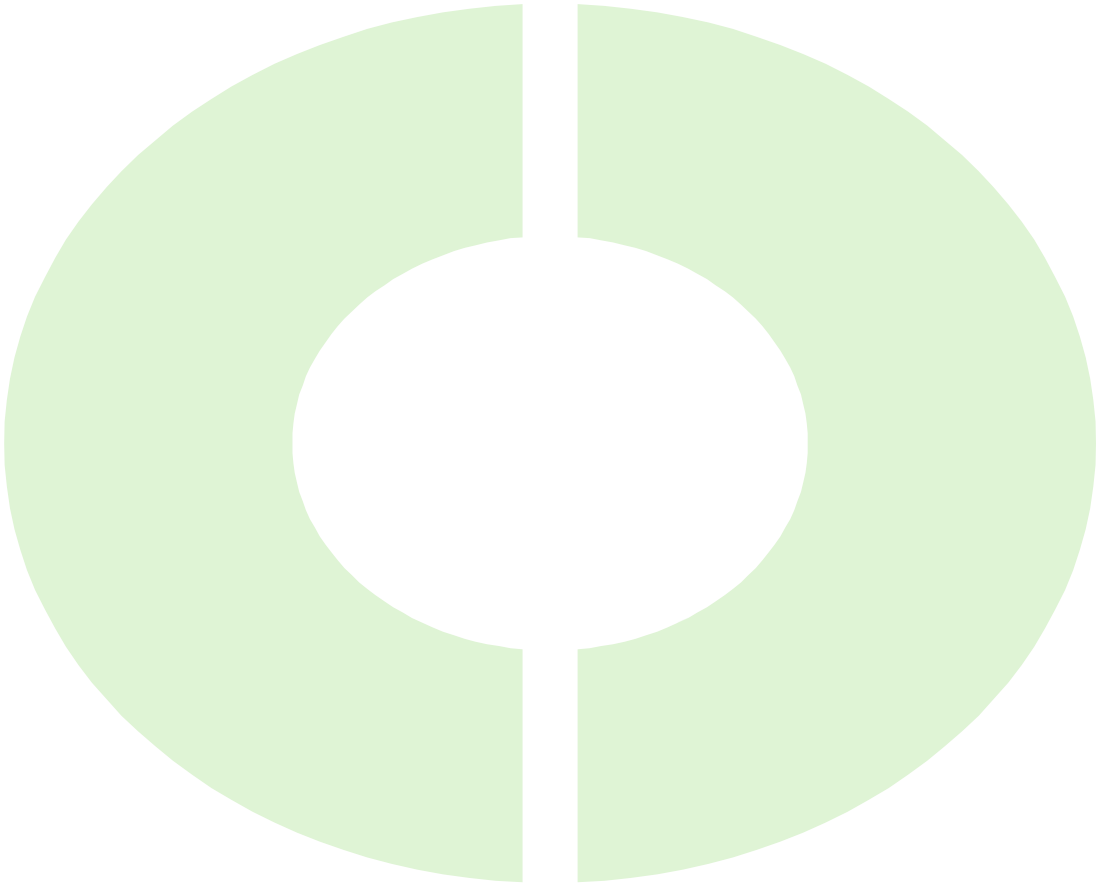
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Performance



Performance Q2 2023 and YTD August 2023

NAV and price performance in USD

Net asset value

Performance in USD %	YTD 2023 (Jan-Aug)	Q2 2023	H1 2023 (Jan-Jun)	1 year	3 years p.a.	5 years p.a.
NAV (US GAAP) as per quarterly filings	12.92%	4.51%	13.27%	17.47%	5.27%	7.17%
Swiss Performance Index, SPI	11.49%	4.34%	11.49%	15.67%	5.81%	8.45%
Difference NAV	+1.43%	+0.17%	+1.78%	+1.80%	-0.54%	-1.28%

Share price

Performance in USD %	YTD 2023 (Jan-Aug)	Q2 2023	H1 2023 (Jan-Jun)	1 year	3 years p.a.	5 years p.a.
Share price SWZ	10.93%	5.22%	12.16%	17.06%	6.02%	5.19%
Swiss Performance Index, SPI	11.49%	4.34%	11.49%	15.67%	5.81%	8.45%
Difference	-0.56%	+0.88%	+0.67%	+1.39%	+0.21%	-3.26%

Source: Bloomberg, JP Morgan, August 31, 2023.

Performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown.

Performance comment

Driving factors for relative performance of NAV

12 month period ended Aug 31, 2023

- Equity markets corrected in 2022 into October and recovered since.
- The strength of the Swiss franc also boosted performance, helping Swiss equity investments keep pace with the rise of the S&P 500 index.
- Stock picking was a significant positive factor, helped to a large extent by overweight small and mid cap stocks (partially offset by positioning in large caps). Holding no Credit Suisse was also helpful for performance.
- Applying moderate leverage since around mid-year 2022 until the start of 2023 was beneficial
- For the first time in a few years, illiquid private equity investments (a legacy from the former investment advisor) had a meaningful positive impact

Recent 3 year and 5 year period:

Relative performance has lagged the benchmark moderately over 3 years after costs:

As investment advisor, our investment philosophy in Swiss equities builds on three style biases: Quality, Value and smaller capitalization.

Small & medium sized companies, which have been an overweight compared to the benchmark, underperformed by around -4% annually over 5 years, and approx. -2% over 3 years, while they did moderately better over 1 year.

We continue to see more interesting opportunities in small & mid caps. We believe it is more likely to find mis-priced stocks in this market segment that has less observers than to spot them among closely followed large cap companies. Furthermore, we think a small or medium sized company, often acting in a niche, has more room to outgrow the market, which also helps it to outperform the benchmark index.

Source: Bloomberg, JP Morgan, August 31, 2023.

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Performance breakdown

Driving factors behind relative performance – 1 year

- NAV total return 1.8% ahead of benchmark thanks to stock selection and currency effects

	Impact on relative performance	Comment
Listed equities	+2.6%	Biggest positive impact came from stock selection in Financials, Consumer Staples and Information Technology
Private equity	+1.0%	Positive contribution from Aravis (sold a holding and distributed cash) partially offset by Spineart
Cash	-0.1%	Average cash of approx. 0.8%
Leverage	+0.7%	Positive contribution from leverage applied in H2 2022 and start of 2023
Expenses	-1.7%	Total expenses
Other / Residual	-0.3%	Currency, timing and other (rounding)
NAV return difference	+1.8%	

Source: Schroders, Aladdin Explore, JP Morgan, Bloomberg, August 31, 2023

Top 10 contributors and detractors – stock

Swiss Helvetia Fund, Inc

12 Months to 31 August 2023

Contributors	Portfolio average weight	Active average weight	Absolute portfolio total return	Relative ¹ return	Total effect
Credit Suisse Group	0.0	-0.4	0.0	82.9	+0.9
Swissquote Gp Hldg	1.7	+1.6	63.0	0.0	+0.8
Aryzta	2.1	+2.0	28.4	0.0	+0.5
Roche	12.2	-1.9	-14.5	0.4	+0.5
Logitech International	2.0	+1.4	28.1	0.0	+0.4
BKW	1.9	+1.7	31.3	0.0	+0.4
Richemont	5.5	+1.0	18.0	0.0	+0.2
Comet Holdings	0.9	+0.8	35.7	0.0	+0.2
Julius Baer	1.3	+0.5	35.1	0.0	+0.2
Medacta Group Sa	0.6	+0.6	44.3	0.0	+0.2

Detractors	Portfolio average weight	Active average weight	Absolute portfolio total return	Relative ¹ return	Total effect
Ubs Group Ag	2.4	-1.4	55.3	0.0	-0.6
Oc Oerlikon Corp	1.2	+1.1	-35.1	0.0	-0.6
Holcim Ltd	0.0	-1.9	0.0	-40.3	-0.6
ABB	1.4	-1.9	33.2	0.0	-0.4
Idorsia Ltd	0.4	+0.3	-68.4	0.0	-0.4
Swiss Re	0.0	-1.7	0.0	-20.0	-0.2
Straumann	0.0	-0.9	0.0	-25.2	-0.2
Novartis	11.2	-1.1	17.6	0.0	-0.1
Schindler	0.0	-0.8	-10.4	-27.2	-0.1
Partners Group	2.8	+1.5	5.5	0.0	-0.1

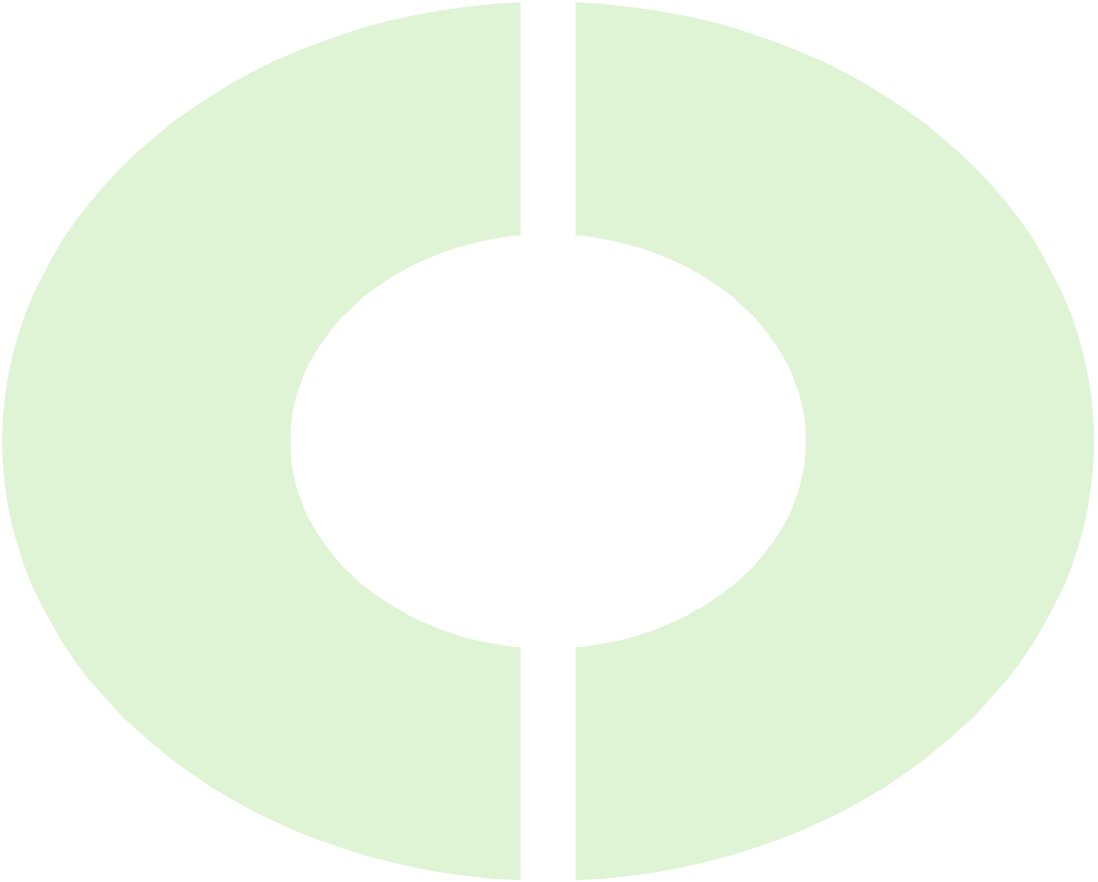
Past performance is not a guide to future performance and may not be repeated. The value of investment can go down as well as up and is not guaranteed. The return may increase or decrease as a result of currency fluctuations.

Source: Schroders, FactSet. ¹vs. Switzerland: SPI

The accounting data used by FactSet is un-audited, therefore any subsequent cleaning of data will not be reflected in FactSet.

The sectors, securities, regions and countries shown above are for illustrative purposes only and are not to be viewed as a recommendation to buy or sell.

Positioning



Top 10 holdings by absolute weight

Swiss Helvetia Fund, Inc

As at 31 August 2023

Stock	Sector	Portfolio weight (%)	Benchmark ¹ weight (%)	Active weight (%)
1 Nestle	Consumer Staples	19.4	18.9	+0.5
2 Novartis	Health Care	12.0	12.6	-0.6
3 Roche	Health Care	11.1	12.7	-1.6
4 Richemont	Consumer Discretionary	5.1	4.4	+0.7
5 Zurich Insurance	Financials	4.5	4.2	+0.3
6 Ubs Group Ag	Financials	3.1	5.1	-2.0
7 Partners Group	Financials	2.6	1.4	+1.2
8 Lonza	Health Care	2.3	2.4	-0.1
9 Baloise Holding	Financials	2.3	0.4	+1.9
10 Swiss Life	Financials	2.2	1.1	+1.1
Total		64.5	63.1	

Source: Schroders, FactSet. ¹Switzerland: SPI.

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Stock positions – Top 10 and Bottom 10

Swiss Helvetia Fund, Inc

As at 31 August 2023

	Portfolio (%)	Benchmark ¹ (%)	Underweight	Overweight	12M change
Aryzta	2.0	0.1		2.0%	0.1
BKW	2.1	0.2		1.9%	0.5
Baloise Holding	2.3	0.4		1.9%	0.8
Swissquote Gp Hldg	1.4	0.1		1.2%	0.0
Partners Group	2.6	1.4		1.2%	-0.5
Tecan Group	1.5	0.3		1.2%	-0.3
Swiss Life	2.2	1.1		1.1%	0.2
VZ	1.1	0.1		1.0%	0.2
Sfs Group Ag	1.1	0.1		1.0%	0.1
Sig Group Ag	1.5	0.5		1.0%	-0.5
Sgs Sa	--	0.8	-0.8%		0.1
Swisscom	--	0.9	-0.9%		-0.1
Straumann	--	1.0	-1.0%		-0.2
Geberit Ag	--	1.1	-1.1%		-0.9
Lindt & Spruengli	--	1.5	-1.5%		0.0
Roche	11.1	12.7	-1.6%		0.3
Swiss Re	--	1.7	-1.7%		-0.2
Ubs Group Ag	3.1	5.1	-2.0%		-1.0
Holcim Ltd	--	2.1	-2.1%		-0.5
ABB	1.4	3.6	-2.3%		-1.3

Source: Schroders, FactSet. ¹Switzerland: SPI.

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Sector positions

Swiss Helvetia Fund, Inc

As at 31 August 2023

	Portfolio (%)	Benchmark ¹ (%)	Underweight	Overweight	12M change
Financials	19.8	16.9		2.9%	0.4
Utilities	2.1	0.2		1.9%	0.5
Consumer Staples	22.4	21.1		1.3%	0.8
Information Technology	3.3	2.0		1.3%	-2.1
Consumer Discretionary	6.3	5.4		0.9%	-1.0
Communication Services	0.0	0.9	-0.9%		-0.1
Real Estate	0.0	1.2	-1.2%		0.0
Health Care	31.7	33.4	-1.7%		4.1
Materials	5.2	7.4	-2.2%		1.1
Industrials	8.1	11.4	-3.3%		-3.1
[Cash]	1.2	0.0		1.2%	-0.6
Total	100.0	100.0			

Source: Schroders, FactSet. ¹Switzerland: SPI

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Portfolio positioning

Swiss Helvetia Fund, Inc

Portfolio characteristics

		Swiss Helvetia Fund	Swiss Performance Index
Valuation	P/E 2023 est	19.0x	19.6x
	P/E 2024 est	17.5x	18.0x
	Price/book	3.2x	3.1x
Quality	Net Debt to Equity	18%	39%

Risk measures (ex private equity)

Swiss Helvetia Fund	August 31, 2023	August 31, 2022
Tracking error	1.5%	2.2%
Active share	27.5%	29.5%

Source: Aladdin, Bloomberg, August 31, 2023.

Biggest weight changes

Swiss Helvetia Fund, Inc

12 Months to 31 August 2023

Purchases	Sector	Issuer	Active weight ¹ 31/08/2022	Active weight ¹ 31/08/2023	Active weight ¹ change	Comments
Alcon Ag	Health Care	Alcon Ag	-2.1	-0.6	+1.5	Increase due to positive outlook
Givaudan Sa	Materials	Givaudan Sa	-1.4	0.0	+1.4	Increase after weakness
Lonza	Health Care	Lonza Group Ag	-1.4	-0.1	+1.3	Increase after weakness
Barry Callebaut	Consumer Staples	Barry Callebaut Ag	-0.5	+0.6	+1.0	Increase after weakness
Novartis	Health Care	Novartis Ag	-1.6	-0.6	+1.0	Market movement

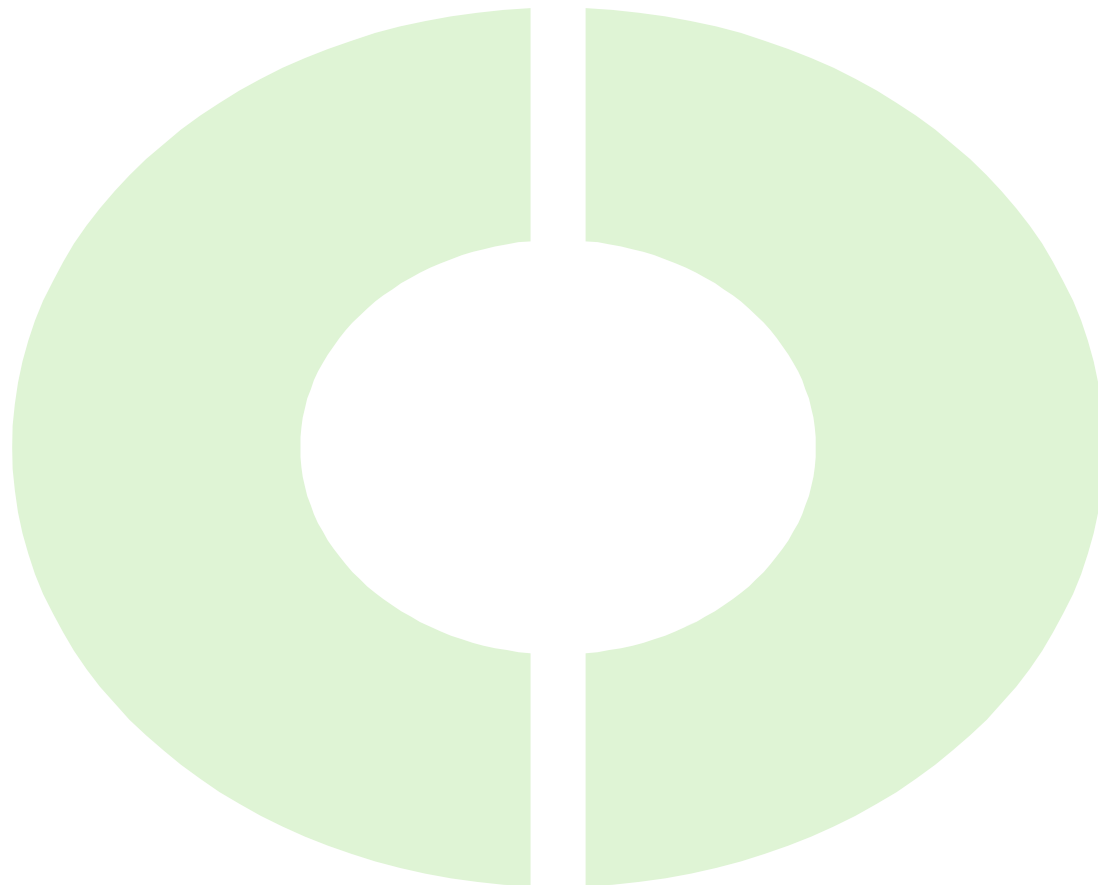
Sales	Sector	Issuer	Active weight ¹ 31/08/2022	Active weight ¹ 31/08/2023	Active weight ¹ change	Comments
ABB	Industrials	Abb Ltd	-1.0	-2.3	-1.3	Partial profit taking after strong relative performance
Ubs Group Ag	Financials	Ubs Group Ag	-1.0	-2.0	-1.0	Expect complex integration process for acquired Credit Suisse
Logitech International	Information Technology	Logitech Intl	+1.8	+0.9	-1.0	Took some profit after recovery
Geberit Ag	Industrials	Geberit Ag	-0.2	-1.1	-0.9	Sold the position as outlook is still weak
Richemont	Consumer Discretionary	Richemont(Cie Fin)	+1.4	+0.7	-0.7	Partial profit taking after strong relative performance

Source: Schroders, FactSet. ¹vs. Switzerland: SPI

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Outlook



Outlook

Swiss Helvetia Fund, Inc

- **Three possible scenarios:**

- 1. Soft landing (or mild recession) in the US economy at some point in 2024**

- Resilient consumers, strong balance sheets and encouraging labour market conditions might help “muddling through”

- 2. A potentially deeper recession as would normally be likely after strong increase of interest rates**

- Inflationary pressure, hawkish actions from central banks and the impact of higher interest rates would lead to lower GDP.

- 3. The recession does not occur until market participants stop thinking it might be coming soon**

- The massive monetary and fiscal interventions during Covid-lockdowns may have distorted economic transmission mechanisms so much that events do not unfold according to the usual playbook.

- We are not betting on one of the scenarios. **We think there might be phases of “risk-on” and “risk-off”** with ‘over’-interpretation of data and central banker comments

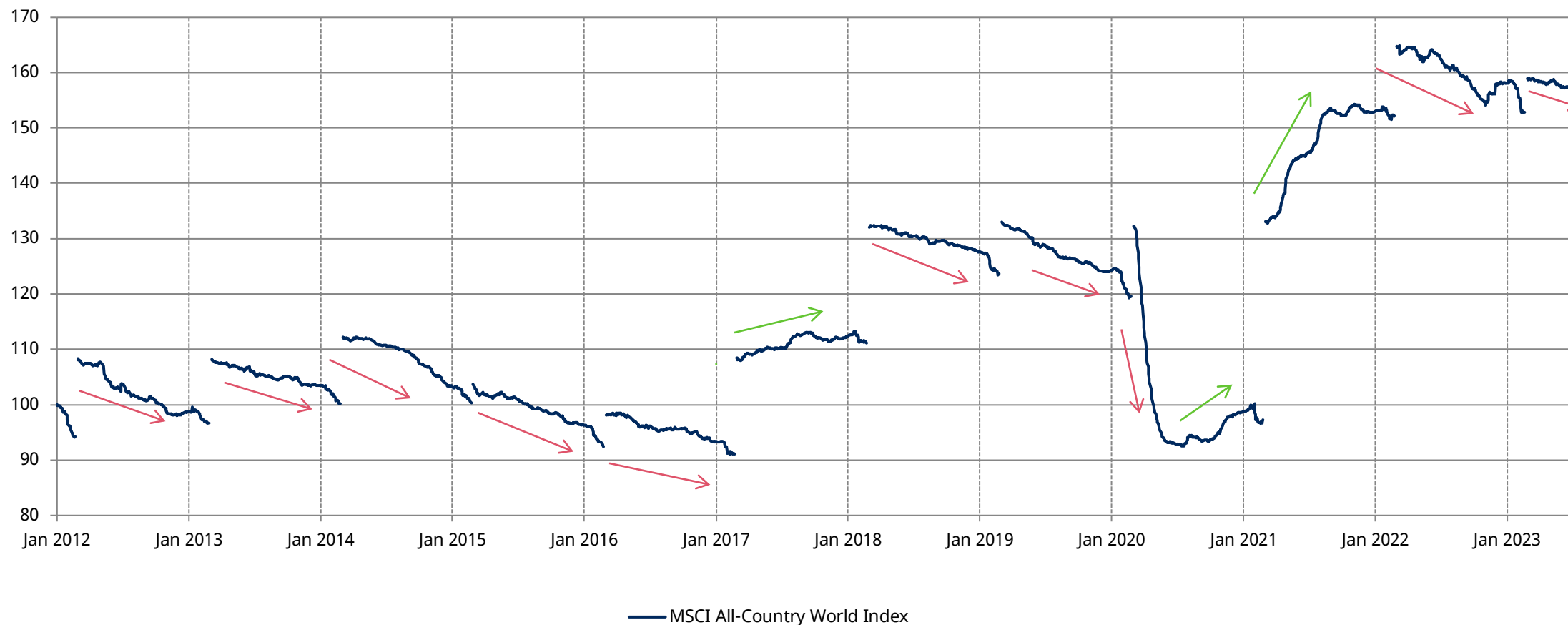
- This is a period for active management with a focus on **strong balance sheets** and **pricing power** no matter which future economic pathway may occur

Source: Schroders, 30 June 2023. Views expressed are the portfolio management team’s view and not necessarily a «house view». These views are subject to change.

Outlook & market situation

Development of corporate earnings estimates: back to 'normal' patterns

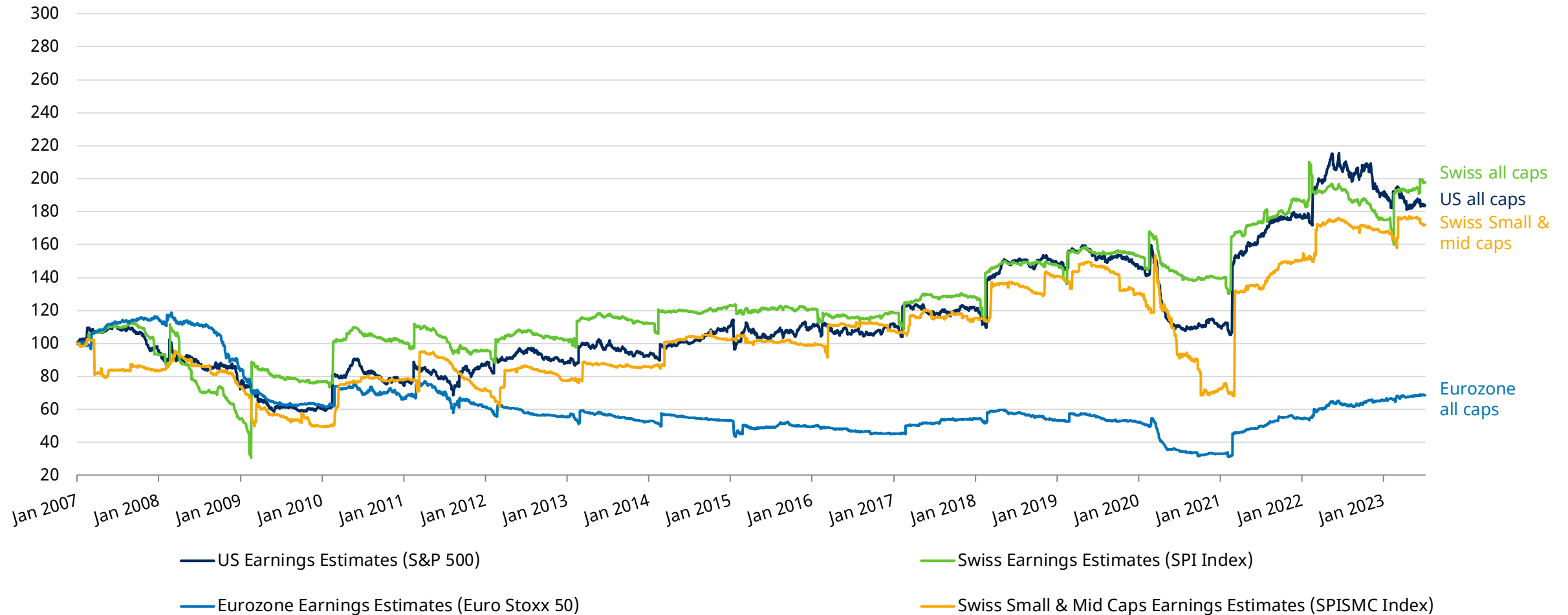
Consensus EPS development – MSCI World



Source: Bloomberg, 06 July 2023. In USD, rebased as of 02 January 2012.

Outlook & Market Situation

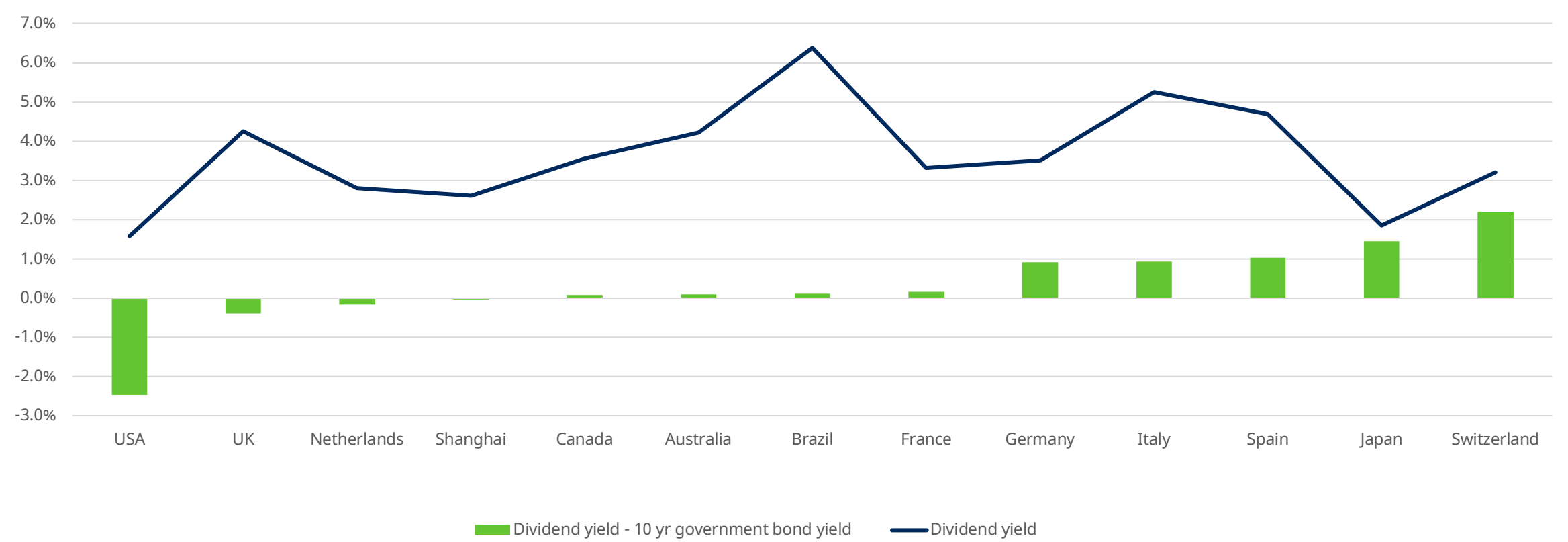
Comparison of earnings expectations across equity markets



Source: Schroders, Bloomberg, 06 July 2023; all earnings converted into CHF.

Investment outlook

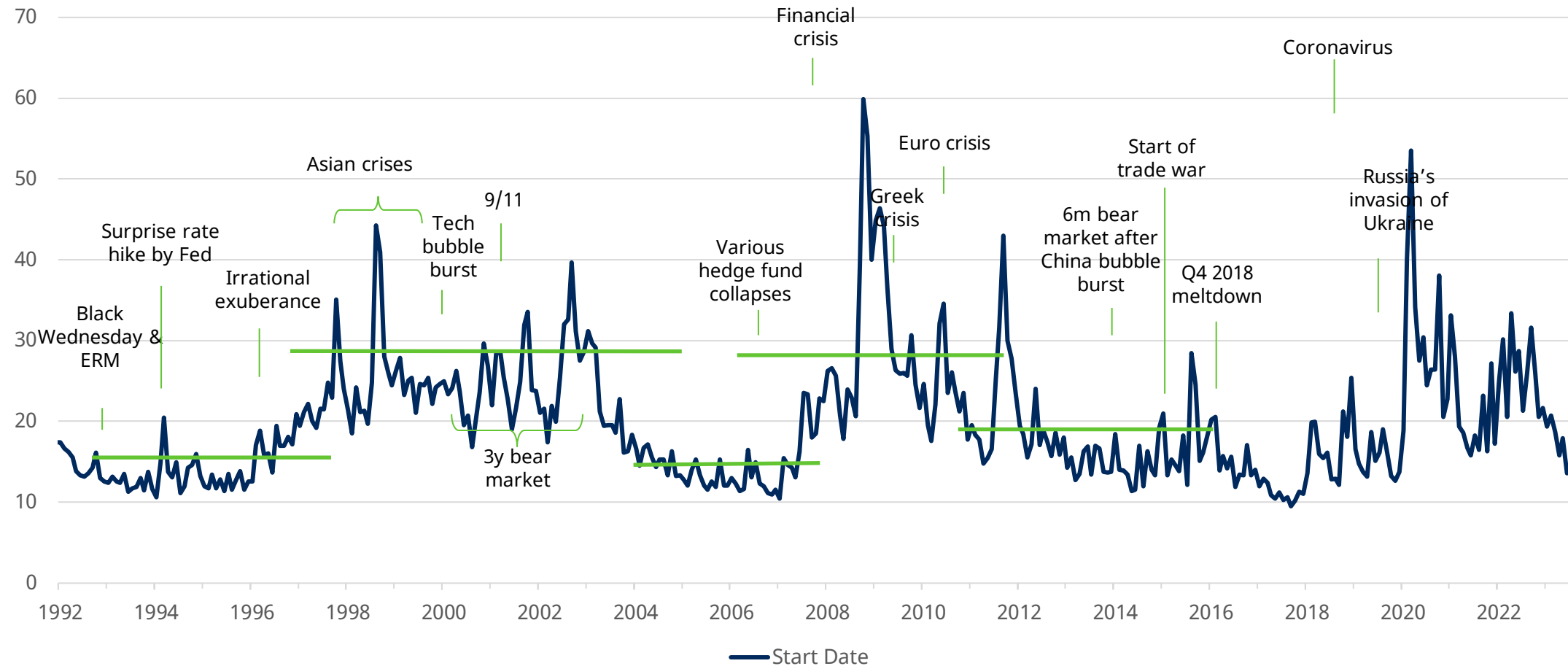
Global comparison of dividend yield versus government bond yield



Source: Schroders, Bloomberg, 06 July 2023.

Outlook

Volatility likely to stay above long-term average

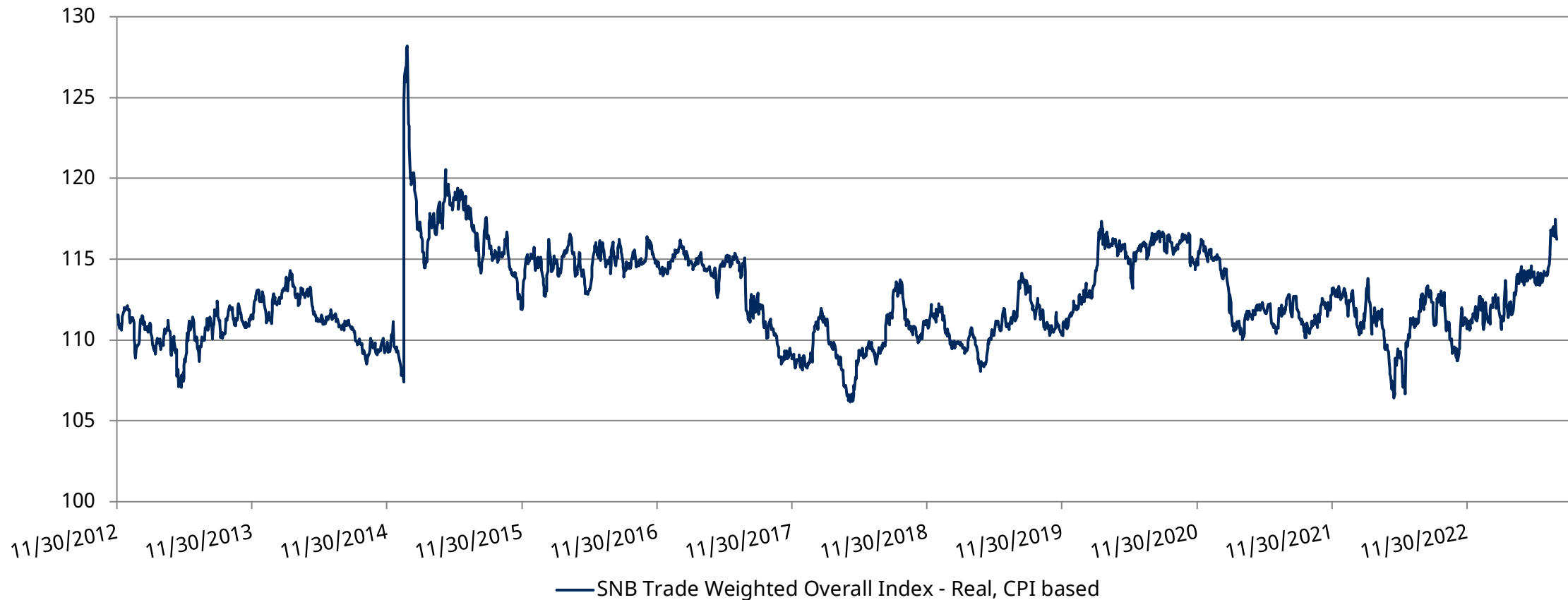


Source: Schroders, Bloomberg, 30 June 2023.

Outlook & Market Situation

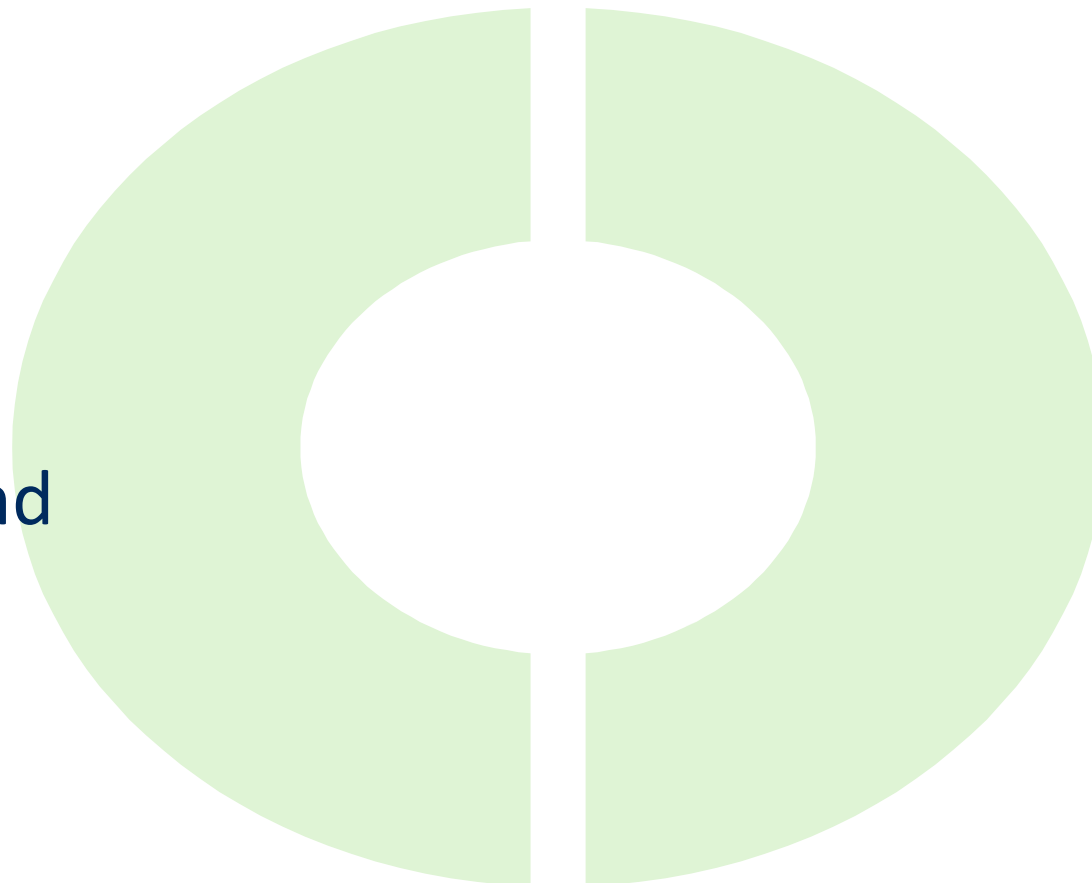
Swiss franc development

Trade weighted exchange rate index – real, CPI-based



Source: Swiss National Bank, December 2000 = 100, 31 July, 2023

Case for Switzerland



Why are Swiss equities attractive?

- The Swiss stock market has a large proportion of global market leaders (not only among large corporations), with competitive advantages
- High innovation rate
- Global diversification helps to better balance revenue sources
- Generally strong ESG performance and absence of “sin stocks”
- Swiss companies remained competitive despite the historic appreciation of the Swiss franc
- The difference between dividend yield and 10 year government bond yield stands out

Source: Schroders. Views expressed are the portfolio management team's view and not necessarily a «house view». These views are subject to change.

Switzerland offers an attractive business environment

Switzerland ranks in the top three of 64 economies regarding global competitiveness

1	Denmark
2	Ireland
3	Switzerland
4	Singapore
5	Netherlands
6	Taiwan, China
7	Hong Kong SAR
8	Sweden
9	USA
10	UAE
11	Finland
12	Qatar
13	Belgium
14	Norway
15	Canada

The International Institute for Management Development has been looking into drivers of competitiveness and prosperity in 64 economies. Amongst others, the following help explain the strong position of Switzerland:

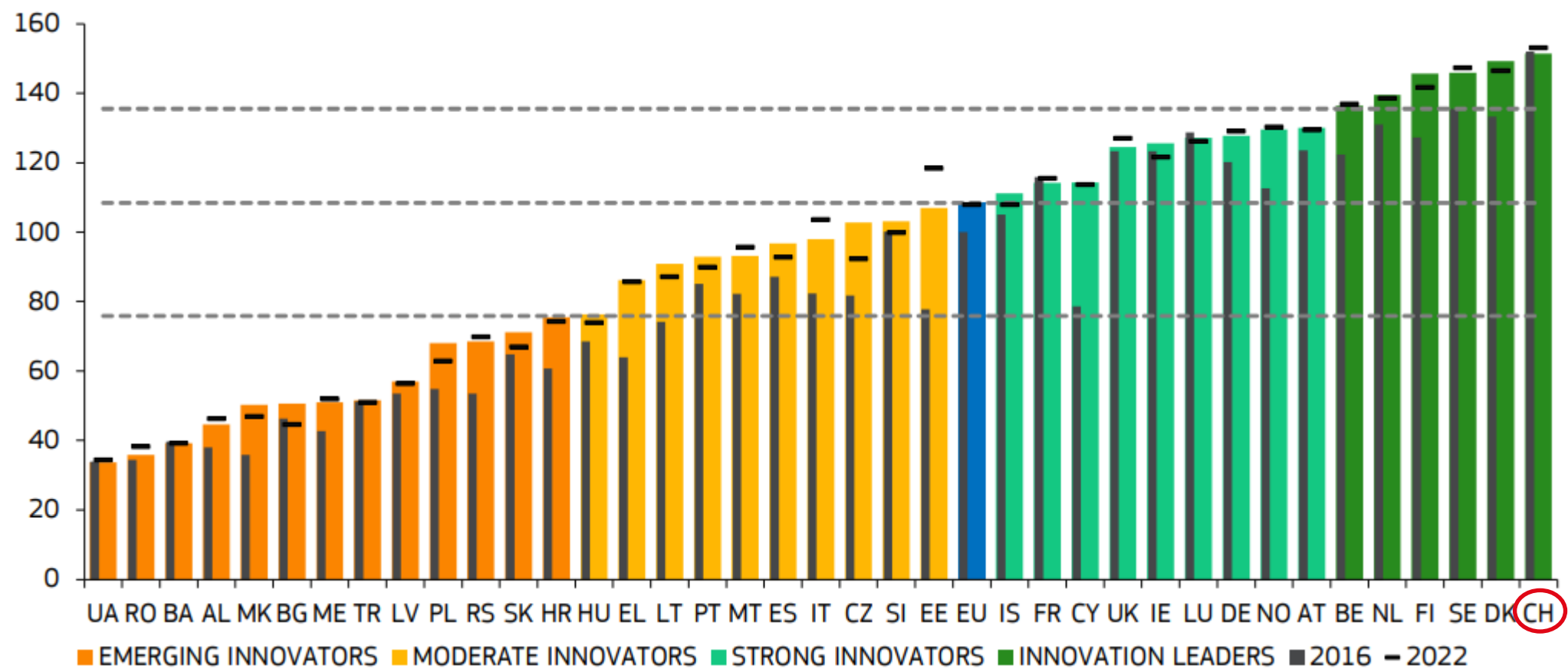
- Domestic economy
- Infrastructure
- Governance efficiency
- Productivity & business efficiency
- Labor market
- Tax policy

Switzerland has been ranked within the top 4 economies over the last 6 years.

Switzerland is an innovation leader

(1/2)

Switzerland is the most innovative country in Europe



Source: European Innovation Scoreboard 2023

Switzerland is an innovation leader

(2/2)

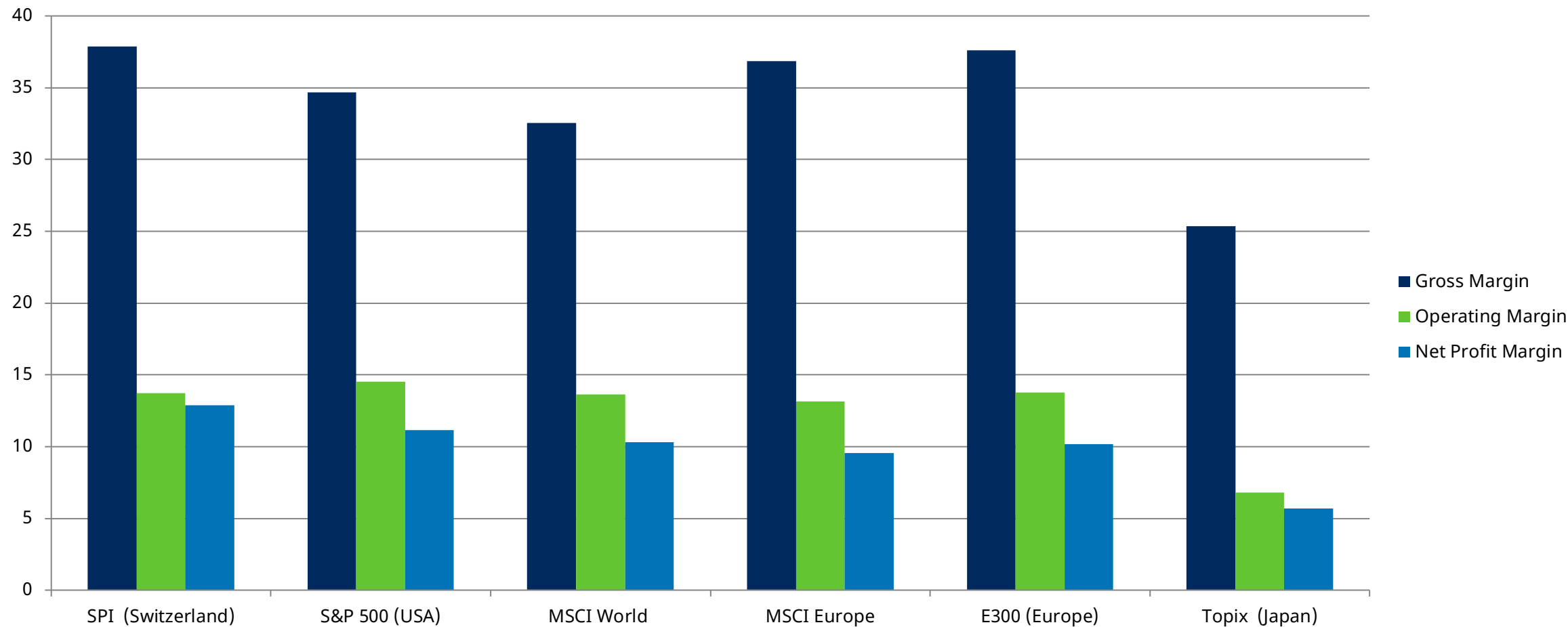
Strong education-related & environment-related indicators

Switzerland has the highest performance in six indicators:

- New doctorate graduates
- International scientific co-publications
- Foreign doctorate students
- Public-private co-publications
- Resource productivity
- Air emissions by fine particulates

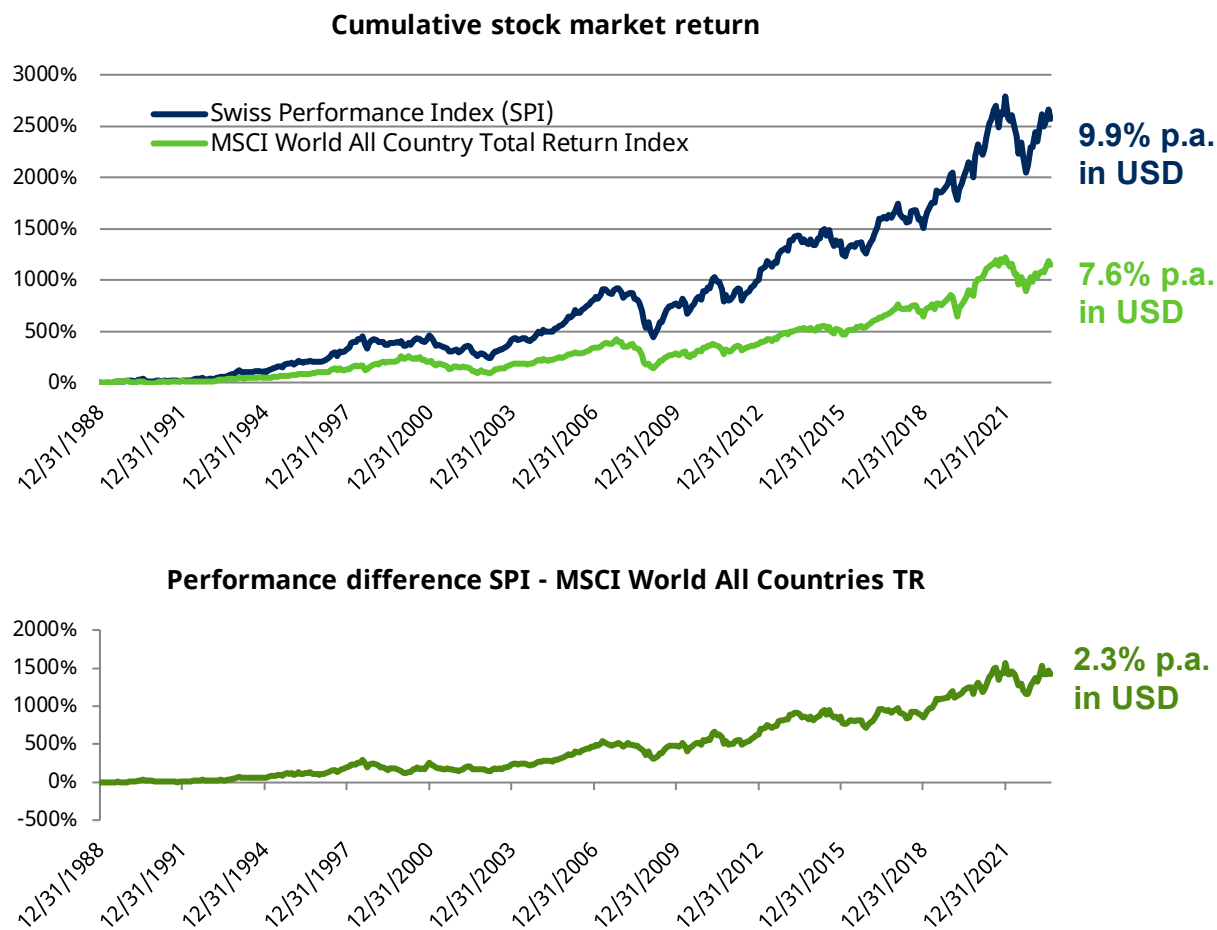
Global leadership results in high profitability

Swiss company leadership transforms into margins



Source: Schroders, Bloomberg, December 31, 2022.

Long term outperformance of Swiss equities



Long-term reasons to invest

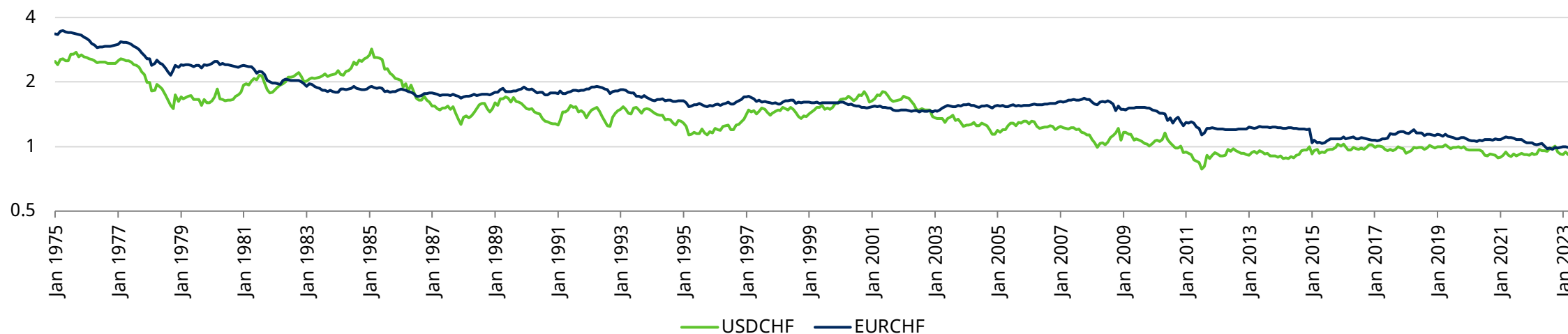
Long-term historic outperformance due to:

- Many global leaders
- Balanced geographical diversification
- High innovation rate
- Highly skilled and productive labour force
- High profit margins
- Political system (stability, taxes, labour law)
- Quality infrastructure
- Low debt (at companies and government)
- Strong CHF seen as asset, not disadvantage

Source: Schroders, August 31, 2023. All data in USD. Views expressed are the portfolio management team's view and not necessarily a «house view». These views are subject to change. Performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown.

CHF appreciation is nothing new

- Swiss companies are used to an appreciating Swiss Franc.
 - High efficiency and strong focus on productivity gains
 - High innovation rate
 - Market leaders in their respective niches
 - Global production footprint provides a substantial natural hedge
 - Solid balance sheets
- Sharp moves in exchange rate (as happened in 2011 and 2015) had short term impacts that were successfully absorbed after 1-2 years in terms of margin recovery



Source: Schroders, Bloomberg, August 31, 2023. Views expressed are the portfolio management team's view and not necessarily a «house view». These views are subject to change.

Swiss Equity Market

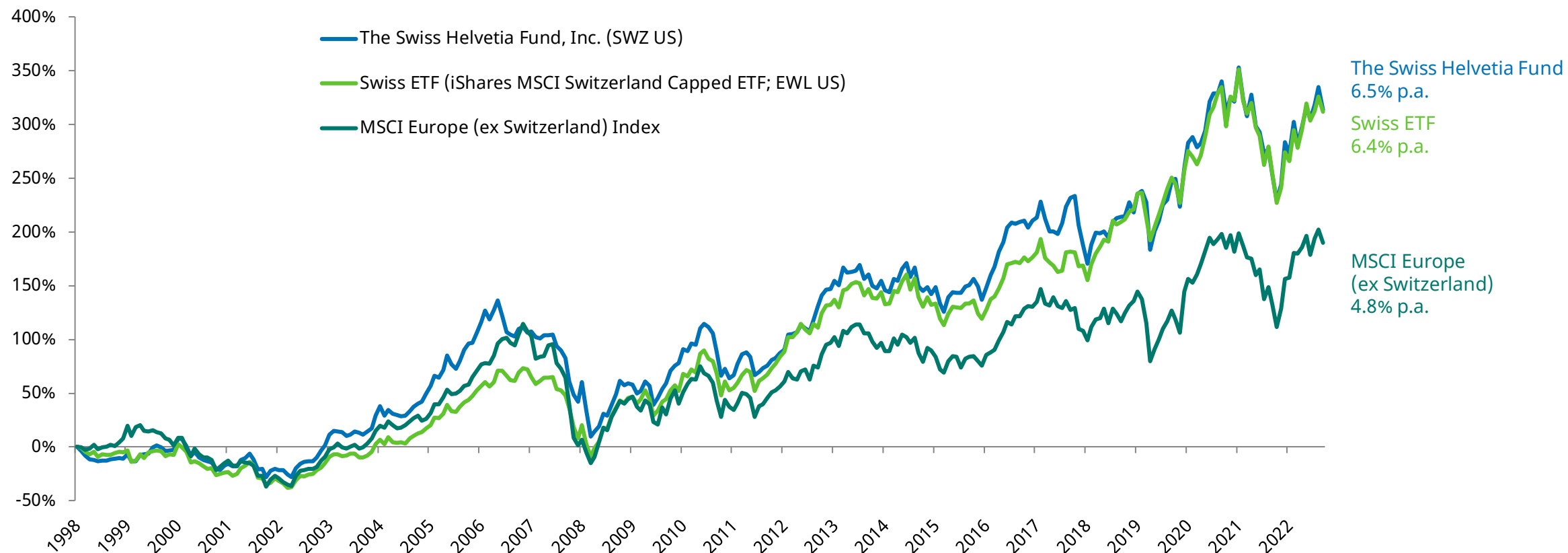
World's Top Countries by Market Cap

Rank	Market	Mkt Cap (US\$ trillion)
1	USA	40.7
2	China	12.2
3	Japan	6.7
4	Hong Kong	6.1
5	France	5.4
6	United Kingdom	3.6
7	Canada	2.6
8	India	2.6
9	Saudi Arabia	2.4
10	Germany	2.3
11	Korea	2.2
12	Switzerland	2.0
Top 10		78.8
World		83.5

Source: Bloomberg, World Bank, December 31, 2020.

Performance of The Swiss Helvetia Fund

Compared to ETF and European Index since introduction of the EURO



Source: Bloomberg, August 31, 2023, all data in USD.

Performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown

Important information

The Fund is a closed-end investment product. Common stock of the Fund is only available for purchase/sale on the NYSE at the then current market price. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

This presentation is intended to be for information purposes only and it is not intended as promotional material in any respect. The material is not intended as an offer or solicitation for the purchase or sale of the Fund's shares or any other financial instrument. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Information herein is believed to be reliable but Schroder Investment Management North America Inc. does not warrant its completeness or accuracy.

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All investments, domestic and foreign, involve risks, including the risk of possible loss of principal. The market value of a fund's portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity, and taxation. The Swiss securities markets have substantially less trading volume than the U.S. securities markets. Additionally, the capitalization of the Swiss securities markets is highly concentrated. Securities of some companies located in Switzerland will be less liquid and more volatile than securities of comparable U.S. companies. This combination of lower volume and greater concentration in the Swiss securities markets may create a risk of greater price volatility than in the U.S. securities markets.

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Definitions: Active share represents the proportion of stock holdings in the Fund that is different from the properties found in the benchmark. Beta measures the sensitivity of the Fund to the movements of its benchmark. Volatility is measured by Standard deviation, which is the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk or volatility. Tracking error is the difference between the price behavior of a position or a portfolio and the price behavior of a benchmark. VaR is Value at Risk, a widely used risk measure of the risk of loss on a specific portfolio of financial exposures.

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