SWISS HELVETIA FUND, INC.
Form N-30B-2
November 28, 2014

Independent Directors and Officers

Samuel B. Witt III, Esq.

Chairman (Non-executive)

Brian A. Berris[1]

Director

David R. Bock[2]

Director

Jean-Marc Boillat[2]

Director

Richard A. Brealey[2,3]

Director

Claus Helbig[2,4]

Director

R. Clark Hooper[2]

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

[1] *Audit Committee Chair*

[2] *Audit Committee Member*

[3] *Pricing Committee Chair*

[4] *Governance/Nominating Committee Chair*

Investment Adviser

Schroder Investment Management North America, Inc.

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Investment Sub-adviser

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Administrator

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Custodian

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Transfer Agent

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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.

Schroder Investment Management North America Inc. (SIMNA Inc.) is an investment adviser registered with the U.S. Securities & 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

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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. Net Asset Value is also published weekly in *Barron s,* the Monday edition of *The Wall Street Journal* and the Sunday edition of *The New York Times.*

1

Management Discussion and Analysis (As of October 30, 2014)

For the three-month period ended September 30, 2014, the Swiss Helvetia Fund, Inc. (the Fund) declined by -7.14% as measured by its share price performance in US dollars. This lagged the Fund s performance as measured by the change in value in the Fund s net asset value (NAV), which decreased by -6.30% in US dollars, as the discount at which its shares traded widened. This compares with a decline of -4.44% in the Swiss equity markets as measured by the Swiss Performance Index (the Index) as measured in US dollars, or an increase of 2.84% in the Index as measured in Swiss francs.

Economic environment during the period under review

Global economic review

Economic growth reported after the end of June showed diverging trends. While the US recovered from a weather related slump in the first quarter, the Eurozone seems to have entered stagnation. There are multiple reasons for the renewed weakening of the nations sharing the Euro: budget constraints, slack in much needed structural reforms, as in France and Italy, or surprisingly weak net exports, for example, in Germany. The conflict in eastern Ukraine and the ensuing sanctions against and from Russia have added to a general reticence for private sector investments. In Japan a new sales tax has squashed consumption. Brazil has slipped into recession and Russia is stalling as a result of

lower commodity prices and sanctions from Western nations. The Asian emerging economies and China in particular still display very solid growth even if modestly lower than in previous periods. Overall, the IMF now expects 3.3% real GDP growth for 2014 after previous expectations of 3.7%.

Swiss economic review

Swiss real GDP was reported in September to have grown by 0.2% (not annualized) in the second quarter of 2014. This is an increase of 1.4% against the same quarter last year and exceeds a previously published estimate (under an older methodology) of stagnation. Although it represents a deceleration of the growth experience of the prior quarter and over the past year, the Swiss economy continues to outpace the Euro area. The backbone was consumption that had advanced in all recent prior three-month periods, except the first quarter 2014. The more volatile exports also contributed to growth, while investments and inventories contracted. The expert group of the Swiss State Secretariat for Economic Affairs (SECO) lowered its GDP growth expectations in October to 1.8% from 2.0% for 2014 and to 2.4% from 2.6% for 2015.

Market environment during the period under review

Most global stock markets suffered negative performance in US dollars during the third quarter 2014, with one of very few exceptions being the market for US equities, which experienced moderate gains, reflected by an increase of 0.62% for the S&P 500

Index. Some country indices, including the Swiss, were showing positive local currency performance that was changed into negative returns when converted into the US dollars that strengthened considerably. In the first six weeks of the reporting period stock markets in Europe experienced a decline between 5-8%. The increasing gravity of the conflicts in the eastern Ukraine and the Middle East weighed on investor sentiment and sanctions against and by Russia raised the specter of declining exports. In the second half of the quarter, equity markets recovered as liquidity remained plentiful and the conflict in eastern Ukraine quieted down.

The Swiss stock market, as measured by the Index, showed a positive performance of 2.84% in Swiss francs (turned into -4.44% in US dollars), outperforming European peer markets in local currency and in US dollars, thanks to its heavyweight pharmaceutical sector. Novartis and Roche rose 12.3% and 7% respectively in Swiss francs leading to a positive sector performance even when converted into US dollars. Swiss large caps as measured by the Swiss Market Index (SMI) outperformed small and mid caps in the SPI Extra Index by 3.2% (in US dollar terms) during the period under review.

Performance

Stock Listed Investments

The Fund s performance benefited in absolute terms from some of its top 10 positions it held during the third quarter, i.e. *Novartis, Roche, Lonza, Sonova, Nestlé, and*

Lindt & Sprungli. Some smaller stocks outside the top 10 positions were also helpful for absolute performance. A positive impact came from a stock outside the top 10 holdings and is attributable to the tender offer by *Helvetia Holding AG* for *Schweizerische National-Versicherungs-Gesellschaft AG.*

In relative terms, however, the Fund s biggest positions, *Novartis* and *Roche*, produced a negative performance attribution effect, as they rose more than the market and the Fund is constrained to an underweight due its industry concentration restriction that does not allow it to invest 25% or more of the total value of its assets in a particular industry. This constraint in isolation resulted in a performance difference compared to the Index of approximately 0.6%. Further, among the Fund s top ten holdings, *Actelion*, *Adecco, Burckhardt Compression* and *Galenica* had a negative impact on absolute and relative performance. Outside the top 10 positions, notable adverse effects also came from *Bucher Industries, Meyer Burger Technology, Swatch, Richemont* and *Syngenta.*

In comparing the Fund s NAV return with the performance of the broad Swiss equity market in US dollars, there are three impacts that explain the majority of the difference of approximately 1.9%. First, the Fund s underweight in the heavyweight two pharmaceutical stocks compared to the Index is responsible for approximately 0.6%; second, the overweight in small and mid cap stocks compared to their weight in the same index accounts for almost 0.6%; and the

Fund s private equity investments are responsible for about 0.5%.

Private Equity Investments

The value of the Fund s private equity investments declined, due to the weakening of the Swiss franc but also due to a revaluation of the aggregate portfolio value by approximately -3%. Two of the direct private-equity holdings raised capital at conditions that resulted in a mark-down of the fair values for the Fund s participation in each. We decided not to participate in the capital raising due to the uncertainty resulting from product reorientation of these companies and the current transition phase that both companies are going through.

Portfolio changes during the period under review

There were 13 purchases and 14 sales of listed equities. There were no further voluntary increases in private equity investments. However, there was an additional, non-significant capital call of Zurmont Madison Private Equity LP to meet the contractual obligation incurred prior to Schroders taking over as investment manager of the Fund.

New Investments by the Fund

Clariant

Dufry

EFG International

VZ Holding

Implenia

Additions to Existing Investments

Syngenta

Richemont

Swatch

Nestlé

Tecan

Belimo

Bucher Industries

DKSH

Positions Entirely Disposed of

Galenica

Meyer Burger

Sulzer

Reductions in Existing Investments

Lindt & Spruengli

Leonteq

Actelion

Basilea

Evolva

Lonza

Sonova

Panalpina

Burckhardt Compression

Adecco

Logitech

As of September 30, 2014, there are 29 listed companies held by the Fund and six direct investments into private equity firms plus two participations held in private equity limited partnerships.

Outlook

Starting in the second quarter, the outlook for world GDP growth has deteriorated somewhat. When consulting the IMF as one possible source of respected economic fore-

4

casts, global growth has been revised down from expectations for 2014 of 3.7% at the beginning of the year to 3.3% in early October. This would put global growth on an approximately equal footing with 2012 and 2013, however, this masks shifts in regional momentum over the current three-year period from 2012 to 2014. The US looks to be the only major economy with an almost unchanged rate, namely a little over 2%. The Eurozone that fell back into recession in 2012 is expected to recover, but still to anemic growth. The UK should recover from stagnation in 2012 to about 3% growth this year. Asia, with one important exception being India, is expected to slow moderately over the period and Russia as well as Brazil are expected to fall to near stagnation. This would result in a notable reversion of the growth differential of emerging vs. advanced economies, which stood at approximately 4% in 2012 and is expected to narrow to more or less 2.5% this year.

For 2015, the IMF expects GDP growth to accelerate globally by approximately 0.5%, mainly driven by approximately one percentage point improvement to about 3.0% in the US. Emerging market growth should also quicken, with the exception of China. Uncertainties over whether recent monetary and / or fiscal policy measures will spur growth remain for Japan, where next year s growth is forecast to almost match this year s 0.9% and for the Eurozone, which is expected to quicken by half a percentage point to 1.3% GDP growth. Projections for the UK are that it might already have peaked in 2014, declining to 2.7% growth in 2015.

Swiss economic outlook

For the Swiss economy, SECO lowered its GDP growth expectations in October to 1.8% from 2.0% for 2014 and to 2.4% from 2.6% for 2015, as a reaction to the year-to-date slightly lower impetus both from domestic demand and exports. However, the experts see the slow-down in the first half of 2014 as temporary and expect the pace to gradually pick up again. The external sector should continue to outpace internal demand, which is a positive for Swiss quoted companies that are in aggregate much more dependent on revenues from outside the country than domestic activity. Notably, the forecast of the SECO for Swiss export growth is above global GDP growth projected by the IMF for 2014 and 2015. The seasonally adjusted unemployment rate, which had risen to and stagnated at 3.2% since May last year, is expected by the SECO to more or less remain unchanged for 2014 and slightly drop in 2015.

Investment view

An accelerating global economy, absent inflationary pressures in most of the major developed nations, and central banks that stand ready to print more money if growth falters these factors are all very supportive for equity markets for the long term. Short term, however, markets could be sensitive to changes in perceptions about these supporting factors or to an escalation of geopolitical tensions, as experienced in late July and early August as well as at the beginning of October.

After the very strong bull run since March 2009, markets have also become more susceptible to concerns about valuation and corporate profits growth. While, as value-conscious investors we share the worries in general, they should nevertheless be put into perspective. Equity valuations (on metrics such as price / book, price / cash flow and price / earnings ratios) are not cheap in historical terms, neither are they when comparing to future earnings growth potential. However, equity markets, come as a prime choice when comparing to other financial assets. In the search for yield, equity dividends mostly beat the percentage returns achievable in other liquid asset classes, particularly high investment grade fixed income securities. When comparing the excess return achieved with the current dividend yield over and above government bond yields it is still near a record high. Switzerland stands out among major equity markets as being the nation with the highest difference between the overall dividend rate and the 10-year government bond yield. The Swiss dividend yield is similar to Europe, but higher than in the US, and government bonds yields remain extremely low.

Not only in comparison of dividend and long-term government bond yields, but also in terms of earnings growth from the level reached prior to the global financial crisis, we believe that the Swiss stock market scores well. On a global level, earnings remained more or less stagnant from 2011 until 2013 with only a minor increase in 2014 to be expected, and five years after the crisis, the

overall level of profits has still not exceeded pre-crisis levels. In view of this background, we believe it is remarkable that the Swiss and the US quoted companies, as measured in their broad based indices, have increased their profits to new records, while shrinking in the Eurozone and the UK (all measured in local currencies). In local currencies, Swiss quoted companies have almost experienced the same acceleration as US counterparts. Expressed in the same currency, *i.e.* when converting Swiss franc profits into US dollars, they outpaced companies in the S&P 500 since 2006. Although it might be a bit too early to claim a trend change, a further important factor that should be considered when investing into equities is that earnings momentum has turned into a tailwind that for the previous three years represented a headwind: it seems that earnings revisions have now turned positive. In the US, expectations for 2014 earnings now stand higher than at the beginning of the year, which was not the case in 2012-2013. In Switzerland, they fell from too high expectations in January, but have stabilized thereafter and started to rise over the past 2 months. If the US were again to set the trend as often in historical recoveries, those initial signs should lead to positive Swiss corporate earnings revisions.

Taking all these aspects together we remain confident for the medium- and long-term outlook for equities, and Swiss equities in particular, even if we concede that short-term volatility could persist. We pursue a stock picking approach with a style bias towards value, quality and small & mid caps. A number of companies with those attributes have experienced declines of around 20% to 30%, while fewer stocks with a high market capitalization have performed well recently. While such a dispersion of returns is certainly not a positive *per se*, it nevertheless should allow us to further reposition the Fund s portfolio towards those stocks and attributes that we see as potential winners.

Schedule of Investments by Industry (Unaudited) September 30, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks 85.70%			
Banks 5.37%			
264,600	**Credit Suisse Group AG** A global diversified financial services company with significant activity in private banking, investment banking and asset management. (Cost $6,313,425)	$ 7,330,154	1.78%
430,000	**EFG International AG** A global private banking group offering private banking and asset management services. (Cost $4,946,621)	4,324,751	1.05%
600,500	**UBS AG** A global diversified financial service company with significant activity in private banking, investment banking, and asset management. (Cost $7,876,986)	10,470,257	2.54%
		22,125,162	5.37%
Biotechnology 7.77%			
116,000	**Actelion, Ltd.**[1] Focuses on the discovery, development and commercialization of treatments to serve critical, unmet medical needs. (Cost $6,632,516)	13,633,491	3.32%
60,000	**Basilea Pharmaceutica AG**[2] Conducts research into the development of drugs for the treatment of infectious diseases and dermatological problems. (Cost $4,710,888)	6,021,978	1.46%

No. of Shares	Security	Fair Value	Percent of Net Assets
Biotechnology (continued)			
1,600,000	**Evolva Holding SA**[2] Discovers and provides innovative, sustainable ingredients for health, nutrition and wellness. (Cost $1,272,422)	$ 2,076,400	0.50%
85,000	**Lonza Group AG** Produces organic fine chemicals, biocides, active ingredients, and biotechnology products. Operates production sites in Europe, the United States, and China. (Cost $8,018,017)	10,265,829	2.49%
		31,997,698	7.77%
Chemicals 3.21%			
140,000	**Clariant AG** Develops, produces, markets and sells specialty chemical products for various end markets. (Cost $2,450,385)	2,397,070	0.58%
34,000	**Syngenta AG** Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers.	10,828,048	2.63%

	(Cost $11,412,216)		
		13,225,118	3.21%

Construction & Materials 3.23%

3,150	**Belimo Holding AG** World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost $6,598,993)	7,846,154	1.90%

See Notes to Schedule of Investments.

Schedule of Investments by Industry (Unaudited)

September 30, 2014

(continued)

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Construction & Materials (continued)			
100,000	**Implenia AG** 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)	$ 5,463,108	1.33%
		13,309,262	3.23%
Financial Services 1.74%			
28,000	**Leonteq AG** Is a technology and service platform with a leading position in structured investment products in Switzerland. (Cost $5,302,668)	6,250,549	1.51%
5,500	**VZ Holding AG** 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 $931,588)	930,194	0.23%
		7,180,743	1.74%
Food & Beverage 13.35%			
320	**Lindt & Sprungli AG[1]** Major manufacturer of premium Swiss chocolates. (Cost $9,265,642)	18,983,987	4.61%

No. of Shares	Security	Fair Value	Percent of Net Assets
Food & Beverage (continued)			
490,000	**Nestle SA[1]** Largest food and beverage processing company in the world. (Cost $6,459,887)	$ 36,025,641	8.74%
		55,009,628	13.35%
Industrial Goods & Services 10.24%			
100,000	**Adecco SA** Supplies personnel and temporary help, and offers permanent placement services internationally for professionals and specialists in a range of occupations. (Cost $8,405,776)	6,787,023	1.65%
42,200	**Bucher Industries AG[1]** Manufactures food processing machinery, vehicles, and hydraulic components. Produces fruit and vegetable juice processing machinery, farming machinery and outdoor equipment. (Cost $12,678,466)	10,855,845	2.64%

34,000	**Burckhardt Compression Holding AG**[1] Produces compressors for oil refining and the chemical and petrochemical industries, industrial gases, and gas transport and storage. (Cost $11,079,229)	15,710,099	3.81%

See Notes to Schedule of Investments.

Schedule of Investments by Industry (Unaudited) September 30, 2014

(continued)

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Industrial Goods & Services (continued)			
105,000	**DKSH Holding, Ltd.** 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 $8,104,918)	$ 7,829,670	1.90%
8,000	**Panalpina Welttransport Holding AG** One of the largest transporters of freight by air and ship, and offers warehousing and distribution services. (Cost $826,833)	1,005,547	0.24%
		42,188,184	10.24%
Insurance 2.67%			
126,200	**Schweizerische National-Versicherungs-Gesellschaft AG**[1] Offers insurance products in Europe, including reinsurance, health, transport, legal, technical, accident, travel, automobile, fire and theft insurance. (Cost $8,646,941)	11,015,259	2.67%
		11,015,259	2.67%
Medical Equipment 5.98%			
168,000	**Kuros Biosurgery AG**[2,3] Develops biomaterials and bioactive biomaterial combination products for trauma, wound and spine indications. (Cost $2,516,639)	703,297	0.17%

No. of Shares	Security	Fair Value	Percent of Net Assets
Medical Equipment (continued)			
90,000	**Sonova Holding AG**[1] Designs and produces wireless analog and digital in-the-ear and behind-the-ear hearing aids and miniaturized voice communications systems. (Cost $13,808,224)	$ 14,373,626	3.50%
3,731	**Spineart SA**[2,3] 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)	1,861,166	0.45%
73,000			