

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

SWISS HELVETIA FUND INC
Form N-30B-2
May 24, 2005

THE SWISS HELVETIA FUND, INC.

Directors and Officers

Paul Hottinguer CHAIRMAN	Rodolphe E. Hottinger PRESIDENT
Eric R. Gabus+ VICE CHAIRMAN (NON OFFICER)	CHIEF EXECUTIVE OFFICER
Paul R. Brenner, Esq. DIRECTOR	Rudolf Millisits SENIOR VICE PRESIDENT
Alexandre de Takacsy DIRECTOR	TREASURER
Claude Frey DIRECTOR	Philippe R. Comby, CFA VICE PRESIDENT
Claude Mosseri-Marlio* DIRECTOR	Edward J. Veilleux VICE PRESIDENT
Didier Pineau-Valencienne* DIRECTOR	SECRETARY
Stephen K. West, Esq. DIRECTOR	Leslie K. Klenk ASSISTANT SECRETARY
Samuel B. Witt, Esq.** DIRECTOR	Frederick Skillin ASSISTANT TREASURER
	Sara M. Morris ASSISTANT TREASURER
	Peter R. Guarino, Esq. CHIEF COMPLIANCE OFFICER

Baron Hottinger
DIRECTOR EMERITUS

*AUDIT COMMITTEE MEMBER
**AUDIT COMMITTEE CHAIRMAN

+GOVERNANCE/NOMINATING
COMMITTEE CHAIRMAN

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

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

CUSTODIAN
Swiss American Securities Inc.

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

LEGAL COUNSEL
Stroock & Stroock & Lavan LLP

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Deloitte & Touche LLP

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

THE INVESTMENT ADVISOR

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

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

EXECUTIVE OFFICES

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

FOR INQUIRIES AND REPORTS:

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

WEBSITE ADDRESS

<http://www.swz.com>

THE FUND

The Swiss Helvetia Fund, Inc. is a non-diversified, closed-end investment company whose objective is to seek long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies. The Fund, listed on the New York Stock Exchange under the symbol "SWZ," is managed by Hottinger Capital Corp.

The Fund had a Morningstar overall rating of three stars as of March 31, 2005. Of course, past performance is no guarantee of future results. See the footnote on page 4 for more information.

Net Asset Value is calculated daily by 6:15 P.M. (Eastern Time). The most recent calculation is available by calling 1-888-SWISS-00 or by accessing our Website. Net Asset Value is also published weekly in BARRON'S, the Monday edition of THE WALL STREET JOURNAL and the Sunday Edition of THE NEW YORK TIMES.

1

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders

GLOBAL MARKET OVERVIEW

Global equity markets entered a more volatile phase in the first quarter of 2005 as both the economic growth and the bull market cycles started to age. Higher corporate spending and lower interest rates were supportive (albeit at a declining level) but the lack of economic stimulus in the US, high consumer debt levels and the lack of real wage growth created fears about economic activity.

In the fixed income market, increasing Fed funds rates did not cause corresponding increases in US government yields, defying the predictions of most analysts. Much of the US deficit was being financed by Asia out of its excess savings and by oil producing nations out of their windfall from high energy prices.

Inflation expectations in the US, as reflected in the price of Treasury

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

Inflation Protected Securities, are at 2.7%. We expect this to be revised upward as corporations become more able to pass on cost increases to their customers and as productivity slows. The long-term outlook for inflation is relatively tame however. Chinese industrialization keeps a lid on prices through labor productivity and demographics in the developed countries favor slower consumer spending.

The outlook for Treasuries is better than for corporate debt as yield spreads are very low and do not reflect the impending downturn in the credit market.

Overseas, European and Swiss government debt has outperformed their US counterpart during the first quarter of the year due to the strength of the currency and a much muted perspective for economic activity. This bodes well for European equities. Monetary liquidity is more supportive than in the US, since the European Central Bank (ECB) is not expected to change the level of the interest rates soon. Actually, in US dollar terms, European equities have outperformed US equities despite an improvement in the US currency.

SWISS ECONOMIC NOTES

Growth in the Swiss Gross Domestic Product (GDP) for 2004 ended up being smaller than expected. The economy grew by 1.2% for the whole year versus the Swiss National Bank's (SNB) forecast of close to 2%. The Swiss economy lost momentum especially at the end of 2004. In the last quarter, the GDP declined by -0.1%, as compared to the last quarter of 2003, a departure from the positive comparable growth of all the previous quarters.

The SNB has lowered its expectations from its last meeting in December 2004. It now expects economic growth to be around 1.5% for 2005 versus its previous projection of 1.5%-2%. The main reasons given for this change were high oil prices and "an economic recovery in Europe that might fall below expectations."

2

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

The Swiss unemployment rate increased to 4.1% in February 2005 (from 4% in December 2004) and decreased to 3.9% in March 2005. The seasonally adjusted rate remained flat during the last quarter at 3.8%.

The Consumer Price Index (CPI) fell 0.3% to 1.2% from November 2004 to January 2005 but increased again to 1.4% in March, strongly influenced by the latest increase in oil prices. Given that the economic upswing has been delayed and that inflation is likely to remain low in the medium term, the SNB, at its latest meeting on March 17, 2005, decided to leave the target range for the three-month LIBOR rate unchanged at 0.25-0.75%. Even though the SNB lifted short-term interest rates twice in 2004, real short-term interest rates have been negative for two and a half years. This is the longest period of negative real interest rates yet recorded in Switzerland (at least during the past 25 years) as the SNB noted in its latest quarterly bulletin.

Yields on longer term bonds continued to slip until the beginning of February. The yield on the ten-year Swiss Confederation bonds fell from 2.4% at the end of December 2004 to a low level of 2.0% in the beginning of February. It has increased since then and ended the quarter at 2.3%.

CURRENCY

After approaching its record low in December 2004 with an exchange rate of 1.14 against the Swiss franc, the US dollar rebounded and finished the quarter at 1.19. This rebound was attributable both to short covering and to a widening

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

of the short-term differential in interest rates.

The euro area continued to show no sign of a shift towards an easier monetary policy. The ECB continues to keep its main refinancing rate at 2%, a rate that has been in place since June 2003. During the first quarter, the euro slightly depreciated against the US dollar (from 1.35 to 1.29) and appreciated by 1% against the Swiss franc.

SWISS MARKET REVIEW AND FUND PERFORMANCE

The Swiss market performed well during the first quarter, with a return of 5.25% for the Swiss Performance Index (SPI). Small capitalization stocks (below \$700 million of market capitalization) had a very strong performance during the quarter with a 15% return in local currency. The strong money flows into small capitalization stocks have come from speculation on mergers and acquisitions activity. Mid sized companies (from \$700 million to \$2 billion) had more modest returns, appreciating 8.0% in local currency, but were still strong in comparison to the 5.0% return for the whole market.

News from the Swiss healthcare sector was positive on average, especially for Roche Holding AG and less so for Novartis AG. The Swiss biotech companies outperformed the US biotech index. The food companies (Nestle AG and Lindt & Sprungli AG) performed, in general, better than or on par with their peers in Europe and the US. The energy

3

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

sector was strong, albeit stock prices entered a period of consolidation in 2005.

Financial stocks outperformed the market after better than expected results from UBS AG and the recovery at Credit Suisse Group, where management reassured the market about the company's capital position and announced a large share buy-back. The performance of luxury goods companies was flat for the quarter.

The Swiss Helvetia Fund lagged the SPI during the first quarter by 1.7%, due mainly to underweight positions in the large capitalization food, bank and insurance sectors, underweight positions in recovering cyclical companies such as ABB Ltd. and Adecco SA, and overweight positions in mid capitalization companies which did not experience the expected benefits from mergers and acquisitions. As the economic cycle matures cyclical companies, especially in the small capitalization area, are expected to consolidate and both mid capitalization quality stocks and large capitalization defensive stocks should exhibit outperformance.

The Fund's cumulative performance continues to be superior to its Swiss peers and its benchmark. As of March 31, 2005 the Fund had a rating of three stars from Morningstar*.

*Morningstar is an independent fund performance monitor. Its ratings reflect historic risk-adjusted performance and may change monthly. Its ratings of one (low) and five (high) stars are based on a fund's three- and five-year average annual total returns with fee adjustments, and a risk factor that reflects fund performance relative to three-month Treasury Bill monthly returns. Only 33% of the funds in an investment category may receive four or five stars. As of March 31, 2005, there were 9 funds in the Fund's asset category rated by Morningstar.

4

THE SWISS HELVETIA FUND, INC.

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

Letter to Stockholders (continued)

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

	YTD AS	TOTAL RETURN AS OF YEAR ENDED DECEMBER 31,							
	OF								
	03/31/05	2004	2003	2002	2001	2000	1999	1998	1997
SWISS HELVETIA FUND	3.57%	7.75%	22.54%	-20.40%	-22.91%	14.06%	14.70%	15.57%	53.1%
Swiss Performance Index (SPI)	5.25%	6.89%	22.06%	-25.95%	-22.03%	11.91%	11.69%	15.36%	55.1%
Swiss Market Index (SMI)	4.15%	3.74%	18.51%	-27.84%	-21.11%	7.47%	5.71%	14.28%	58.1%
Switzerland iShares/2/ (Formerly called Webs Switzerland)	4.51%	6.34%	19.14%	-26.23%	-23.12%	7.75%	12.22%	11.74%	47.1%
CS Equity Swiss Blue Chips/3,7/	4.31%	2.75%	18.13%	-28.75%	-22.12%	10.97%	7.57%	14.21%	59.1%
UBS (CH) Equity Fund/4,7/	5.10%	5.00%	18.14%	-26.02%	-22.04%	7.42%	6.43%	12.75%	55.1%
Pictet (CH) -- Swiss Equities/5,7/	5.30%	7.05%	20.10%	-27.93%	-22.35%	7.34%	9.38%	11.05%	55.1%
Saraswiss (Bank Sarasin)/6,7/	5.07%	2.93%	19.64%	-28.51%	-24.45%	9.72%	7.10%	14.41%	53.1%

/1/ PERFORMANCE OF FUNDS IS BASED ON CHANGES IN THE FUND'S NAV OVER A SPECIFIED PERIOD. IN EACH CASE TOTAL RETURN IS CALCULATED ASSUMING REINVESTMENT OF ALL DISTRIBUTIONS. FUNDS LISTED, OTHER THAN SWITZERLAND ISHARES, ARE NOT REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. PERFORMANCE AND DESCRIPTIVE INFORMATION ABOUT THE FUNDS ARE DERIVED FROM THEIR PUBLISHED INVESTOR REPORTS AND WEBSITES, WHICH ARE SUBJECT TO CHANGE.

/2/ SWITZERLAND ISHARES ARE TRADED ON THE NEW YORK STOCK EXCHANGE AND INVEST IN MOST OF THE SAME STOCKS LISTED IN THE MORGAN STANLEY CAPITAL INTERNATIONAL SWITZERLAND INDEX. THESE STOCKS REPRESENT SWITZERLAND'S LARGEST AND MOST ESTABLISHED PUBLIC COMPANIES, ACCOUNTING FOR APPROXIMATELY 85% OF THE MARKET CAPITALIZATION OF ALL OF SWITZERLAND'S PUBLICLY TRADED STOCKS. PERFORMANCE OF ISHARES IS CALCULATED BASED UPON THE CLOSING PRICES OF THE PERIOD INDICATED USING THE SWISS FRANC/U.S. DOLLAR EXCHANGE RATE AS OF NOON EACH SUCH DATE, AS REPORTED BY BLOOMBERG. SUCH EXCHANGE RATES WERE AS FOLLOWS: 12/31/96 = 1.35, 12/31/97 = 1.46, 12/31/98 = 1.38, 12/31/99 = 1.60, 12/31/00 = 1.61, 12/31/01 = 1.67, 12/31/02 = 1.39, 12/31/03 = 1.24 AND 12/31/04 = 1.14, 3/31/05 = 1.19.

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

/4/ THIS FUND INVESTS PRIMARILY IN MAJOR SWISS COMPANIES. QUALITY CRITERIA USED FOR DETERMINING RELATIVE WEIGHTINGS OF COMPANIES INCLUDE: STRATEGIC ORIENTATION, STRENGTH OF MARKET POSITION, QUALITY OF MANAGEMENT, SOUNDNESS OF EARNINGS, GROWTH POTENTIAL AND POTENTIAL FOR IMPROVING SHAREHOLDER VALUE. THE INVESTMENT OBJECTIVE SEEKS TO PROVIDE RESULTS THAT ARE ALIGNED WITH THE SPI PERFORMANCE.

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

/6/ THIS FUND INVESTS IN SHARES OF SWISS COMPANIES. IT WEIGHTS INDIVIDUAL SECTORS RELATIVE TO THE SPI ON THE BASIS OF THEIR EXPECTED RELATIVE PERFORMANCE. IT FOCUSES ON LIQUID BLUE-CHIP STOCKS.

/7/ THESE FUNDS ARE NOT AVAILABLE FOR U.S. RESIDENTS OR CITIZENS. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

5

THE SWISS HELVETIA FUND, INC.

 Letter to Stockholders (concluded)

 QUARTER ENDED

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

MARCH 31, 2005

PERFORMANCE IN SWISS FRANCS	
Swiss Performance Index (SPI)	5.25%
Swiss Helvetia Fund	
Based on Net Asset Value	3.57%
CHANGE IN US DOLLAR VS. SWISS FRANC	4.82%
SWISS HELVETIA FUND PERFORMANCE IN US DOLLARS	
Based on Net Asset Value	-1.19%
Based on Market Price	-5.02%
S & P 500 Index	-2.15%
MSCI EAFE Index	-0.16%
Lipper European Fund Index (10 Largest)	0.70%
Lipper European Fund Universe Average	1.10 %

OUTLOOK / STRATEGY

Equity markets are facing more risk going forward as questions arise about the strength of US consumer spending, about short-term inflation and the Fed's reaction to it, and about how China will manage a soft landing and when it will modify its exchange rate regime. In this environment, valuations are expected to contract. Corporations with stable earnings growth and high free cash flow generation are the ones most likely to resist that trend. The defensive nature of the Swiss market (healthcare and food) should play to its advantage.

STOCK REPURCHASE PROGRAM

Pursuant to authorization by its Board of Directors, the Fund began open market purchases of its common stock on the New York Stock Exchange in 1999 and has continued purchases in each subsequent year. The principal purpose of the stock repurchase program is to enhance stockholder value by increasing the Fund's net asset value per share without creating a meaningful adverse effect upon the Fund's expense ratio and without realizing capital gains in order to fund the repurchases. The Board has authorized the purchase of up to 250,000 shares in 2005. During the quarter ended March 31, 2005, there were no repurchases.

Sincerely,
/s/
Paul Hottinguer
CHAIRMAN

/s/
Rodolphe Hottinger
PRESIDENT AND CHIEF EXECUTIVE OFFICER

March 31, 2005

6

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) March 31, 2005

No. of Shares	Security	Value	Percent of Net Assets
<hr/>			
	COMMON STOCKS	--	96.82%

BANKS -- 16.70%

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

458,000	CREDIT SUISSE GROUP/2/ REGISTERED SHARES	\$ 19,731,773	4.86%
	A global operating financial group. (Cost \$15,309,694)		
33,406	ST. GALLER KANTONALBANK REGISTERED SHARES	8,786,627	2.17%
	A Swiss regional bank that offers retail, commercial, private and institutional banking. It also provides asset management and financial planning services. (Cost \$7,655,440)		
435,000	UBS AG/2/ REGISTERED SHARES	36,861,314	9.09%
	Largest Swiss bank. It offers consumer, business and construction loans, mortgages, mutual funds, export and structured finance and securities brokerage services, advises on mergers and acquisitions, invests pension funds and sponsors credit cards. (Cost \$7,578,949)		
94,000	VONTOBEL HOLDING AG REGISTERED SHARES	2,346,254	0.58%
	Provides investment, banking and consulting services to private and institutional customers. (Cost \$2,286,229)		
		-----	-----
		67,725,968	16.70%

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

BASIC RESOURCES -- 0.50%

20,324	PRECIOUS WOODS HOLDING AG/1/ BEARER SHARES	\$ 2,029,160	0.50%
	Through subsidiaries, manages tropical forests using ecologically sustainable forest management methods. Harvests tropical trees and processes them into lumber. (Cost \$2,039,773)		
		-----	-----
		2,029,160	0.50%

BIOTECHNOLOGY -- 3.30%

126,973	ACTELION LTD./1/ REGISTERED SHARES	12,890,119	3.18%
	Pharmaceutical company that		

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

develops and markets synthetic
small-molecule drugs against
diseases related to the endothelium.
(Cost \$8,781,182)

12,273	CYTOS BIOTECHNOLOGY AG/1/ REGISTERED SHARES	484,989	0.12%
	Develops and produces biopharmaceuticals. Produces vaccines that immunize the patient against disease-related proteins. This instructs the immune system to produce antibodies to reverse or prevent disease progression. (Cost \$439,327)		
		-----	-----
		13,375,108	3.30%

7

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) March 31, 2005
(continued)

No. of Shares	Security	Value	Percent of Net Assets

COMMON STOCKS -- (CONTINUED)			
CHEMICALS -- 8.45%			
35,000	CIBA SPECIALTY CHEMICALS AG REGISTERED SHARES	\$ 2,272,842	0.56%
	Develops, manufactures, and markets specialty chemicals. (Cost \$2,562,063)		
15,488	SIKA AG BEARER SHARES	11,590,986	2.86%
	Leading producer of construction chemicals. (Cost \$3,761,320)		
194,931	SYNGENTA AG/1,2/ REGISTERED SHARES	20,426,950	5.03%
	Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$12,135,720)		
		-----	-----
		34,290,778	8.45%
CONSTRUCTION -- 2.06%			
135,143	HOLCIM LTD. REGISTERED SHARES	8,339,431	2.06%
	Produces and markets various building materials, in addition to		

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

providing consulting and engineering services in all areas of the cement manufacturing process.
(Cost \$6,153,257)

8,339,431 2.06%

No. of Shares	Security	Value	Percent of Net Assets
FOOD & BEVERAGES -- 15.14%			
300	LINDT & SPRUNGLI AG REGISTERED SHARES Major manufacturer of premium Swiss chocolates. (Cost \$1,196,399)	\$ 4,568,336	1.13%
207,000	NESTLE AG/2/ REGISTERED SHARES Largest food and beverage processing company in the world. (Cost \$12,427,541)	56,834,256	14.01%
		61,402,592	15.14%
INDUSTRIAL GOODS & SERVICES -- 9.64%			
60,000	ADECCO SA REGISTERED SHARES Leading personnel and temporary employment company. (Cost \$3,260,846)	3,307,325	0.81%
2,055	BELIMO HOLDING AG REGISTERED SHARES World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$450,523)	1,317,241	0.32%
2,409	KABA HOLDINGS AG BEARER SHARES Provides mechanical and electronic security systems. (Cost \$433,442)	677,083	0.17%

8

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) March 31, 2005
(continued)

Percent

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

No. of Shares	Security	Value	of Net Assets

COMMON STOCKS -- (CONTINUED)			
INDUSTRIAL GOODS & SERVICES -- (CONTINUED)			
49,854	KUEHNE & NAGEL INTERNATIONAL AG REGISTERED SHARES Operates sea freight, land and rail transportation businesses and warehousing and distribution facilities. (Cost \$2,566,808)	\$ 10,791,452	2.66%
6,598	SGS SOCIETE GENERALE DE SURVEILLANCE HOLDING SA REGISTERED SHARES Provides a variety of industrial inspection, analysis, testing and verification services worldwide. (Cost \$1,709,324)	4,771,773	1.18%
8,496	SIG HOLDING AG REGISTERED SHARES Manufactures packaging machinery through subsidiaries. Produces beverage bottling machines, beverage cartons, and filling machines. (Cost \$1,838,620)	1,824,797	0.45%
35,047	SULZER AG/2/ REGISTERED SHARES Manufactures and sells industrial equipment, machinery, and medical devices. (Cost \$12,445,442)	15,143,221	3.73%
615,035	VON ROLL HOLDING AG/1/ BEARER SHARES Manufactures insulation and composite materials and offers waste treatment services. (Cost \$904,319)	1,284,871	0.32%
		-----	-----
		39,117,763	9.64%

No. of Shares	Security	Value	Percent of Net Assets

INSURANCE -- 4.73%

68,088 SWISS REINSURANCE COMPANY

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

REGISTERED SHARES	\$	4,892,809	1.21%
Second largest reinsurance company in the world. (Cost \$4,038,842)			
81,100 ZURICH FINANCIAL SERVICES AG/2/ REGISTERED SHARES		14,282,146	3.52%
Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost \$14,353,611)			
		-----	-----
		19,174,955	4.73%
MEDICAL TECHNOLOGY -- 0.14%			
16,867 PHONAK HOLDING AG REGISTERED SHARES		583,036	0.14%
Designs and produces wireless analog and digital hearing aids, transmitters, remote controls, microphones and receivers for use in wireless communications within broadcasting and sports. (Cost \$143,401)			
		-----	-----
		583,036	0.14%
PHARMACEUTICALS -- 24.40%			
1,149,000 NOVARTIS AG/2/ REGISTERED SHARES		53,791,593	13.26%
One of the leading manufacturers of pharmaceutical and nutrition products. (Cost \$13,461,235)			

9

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) March 31, 2005
(continued)

No. of Shares	Security		Percent of Net Value Assets

COMMON STOCKS -- (CONTINUED)			
PHARMACEUTICALS -- (CONTINUED)			
420,000 ROCHE HOLDING AG/2/ DIVIDEND RIGHTS CERTIFICATES		\$ 45,174,931	11.14%
Worldwide pharmaceutical company. (Cost \$8,467,363)			
		-----	-----
		98,966,524	24.40%
RETAILERS -- 1.06%			

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

24,767	GALENICA HOLDING AG REGISTERED SHARES	4,290,952	1.06%
	Manufactures and distributes prescription and over-the-counter drugs, toiletries and hygiene products. (Cost \$3,158,881)		
		-----	-----
		4,290,952	1.06%
TECHNOLOGY -- 3.76%			
14,238	HUBER & SUHNER AG REGISTERED SHARES	1,037,478	0.25%
	Manufactures a wide range of products, extending from cables for energy and electrical submission to special products such as rubber. (Cost \$815,503)		
230,449	LOGITECH INTERNATIONAL SA/1,2/ REGISTERED SHARES	14,065,916	3.47%
	Manufactures personal computer input devices, as well as producing trackballs, desktop publishing programs and related software. (Cost \$8,396,934)		

No. of Shares	Security		Percent of Net Value Assets

TECHNOLOGY -- (CONTINUED)

23,813	TEMENOS GROUP AG/1/ REGISTERED SHARES	\$ 149,443	0.04%
	Provides integrated software for the banking sector. Develops, distributes, implements, and supports its process-oriented real- time enterprise software designed for the management of administrative tasks in Europe, North America, Asia, and the Middle East. (Cost \$159,743)		
		-----	-----
		15,252,837	3.76%
UTILITY SUPPLIERS -- 6.94%			
500	AARE-TESSIN AG FUR ELEKTRIZITAT REGISTERED SHARES	805,437	0.20%
	Generates, transmits, and distributes electricity in Switzerland and neighboring countries. Provides environmental technology and engineering services.		

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

(Cost \$859,335)

22,445 BKW FMB ENERGIE AG
 REGISTERED SHARES 12,805,269 3.16%
 Generates and distributes electricity.
 Produces electricity using nuclear,
 hydroelectric, solar, biomass and
 wind energy.
 (Cost \$12,145,317)

10

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) March 31, 2005
 (concluded)

No. of Shares	Security		Percent of Net Value Assets

COMMON STOCKS -- (CONTINUED)			

UTILITY SUPPLIERS -- (CONTINUED)

350	CENTRALSCHWEIZ KRAFTWERKE BEARER SHARES	\$ 1,321,420	0.33%
	Supplies electric power, operates and maintains distribution network facilities, constructs and installs equipment, and offers consulting services to its clients. (Cost \$1,302,180)		
17,144	ELEKTRIZITAETS-GESELLSCHAFT LAUFENBURG AG/2/ REGISTERED SHARES	13,182,713	3.25%
	Generates and sells electricity. Operates nuclear and hydroelectric generating plants. Sells excess power throughout Europe. (Cost \$12,807,688)		
	TOTAL COMMON STOCKS (Cost \$186,046,251)*	28,114,839	6.94%
	OTHER ASSETS LESS LIABILITIES	\$ 392,663,943	96.82%
	NET ASSETS	12,893,540	3.18%
		\$ 405,557,483	100.00%
		=====	=====

/1/NON-INCOME PRODUCING SECURITY.

/2/ONE OF THE TEN LARGEST PORTFOLIO HOLDINGS.

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

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

GROSS UNREALIZED APPRECIATION	\$207,067,013
GROSS UNREALIZED DEPRECIATION	(449,321)

NET UNREALIZED APPRECIATION	\$206,617,692
	=====

11

THE SWISS HELVETIA FUND, INC.

Dividend Reinvestment Plan (Unaudited)

THE PLAN

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

Some of the Plan features are:

- . Once you enroll in the Plan, all of your future distributions and dividends payable in whole or in part in cash will be automatically reinvested in Fund shares in accordance with the terms of the Plan.
- . You will receive shares valued at the lower of the Fund's net asset value or the Fund's market price as described below. The entire amount of your distribution or dividend will be reinvested automatically in additional Fund shares. For any balance that is insufficient to purchase full shares of the Fund, your account will be credited with fractional shares.
- . Your shares will be held in an account with the Plan agent. You will be sent regular statements for your records.
- . You may terminate participation in the Plan at any time.

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

HOW DO I ENROLL IN THE PLAN?

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

HOW DOES THE PLAN WORK?

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

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

Edgar Filing: SWISS HELVETIA FUND INC - Form N-30B-2

If AST begins to buy Fund shares for your account at a discount to net asset value but, during the course of the purchases, the Fund's market price increases to a level above the net asset value, AST will complete its purchases, even though the result may be that the average price paid for the purchases exceeds net asset value.

12

THE SWISS HELVETIA FUND, INC.

Dividend Reinvestment Plan (Unaudited) (concluded)

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

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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

A SWISS
INVESTMENTS
FUND

THE SWISS

HELVETIA

FUND, INC.

www.swz.com

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

QUARTERLY REPORT
FOR THE
PERIOD ENDED
MARCH 31, 2005