

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

SWISS HELVETIA FUND, INC.
Form N-CSR
March 10, 2008

As filed with the Securities and Exchange Commission on March 10, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-05128

THE SWISS HELVETIA FUND, INC.
1270 Avenue of the Americas, Suite 400
New York, New York 10020
1-888-SWISS-00

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

Date of fiscal year end: December 31

Date of reporting period: January 1, 2007 - December 31, 2007

ITEM 1. REPORT TO STOCKHOLDERS

THE SWISS HELVETIA FUND, INC.

Directors and Officers

Samuel B. Witt III, Esq.
CHAIRMAN (NON-EXECUTIVE)
Jean-Marc Boillat
DIRECTOR
Paul R. Brenner, Esq./1/
DIRECTOR
Alexandre de Takacsy
DIRECTOR
Claude Frey
DIRECTOR
R. Clark Hooper/ 2/

Baron Hottinger
DIRECTOR EMERITUS
Rodolphe E. Hottinger
PRESIDENT
CHIEF EXECUTIVE OFFICER
Rudolf Millisits
SENIOR VICE PRESIDENT
CHIEF FINANCIAL OFFICER
Philippe R. Comby,
CFA, FRM
VICE PRESIDENT

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

DIRECTOR	Edward J. Veilleux
Paul Hottinguer	VICE PRESIDENT
DIRECTOR	SECRETARY
Michael Kraynak, Jr./2/	Scot E. Draeger
DIRECTOR	ASSISTANT SECRETARY
Didier Pineau-Valencienne/ 2,3/	Glen Fougere
DIRECTOR	ASSISTANT TREASURER
Stephen K. West, Esq./2/	Peter R. Guarino, Esq.
DIRECTOR	CHIEF COMPLIANCE OFFICER
Eric R. Gabus	
DIRECTOR EMERITUS	

/1/AUDITCOMMITTEE CHAIRMAN / / /3/GOVERNANCE/NOMINATING COMMITTEE CHAIRMAN
/2/AUDITCOMMITTEE MEMBER

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

ADMINISTRATOR
Citi Fund Services, LLC

CUSTODIAN
Citibank, N.A.

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

LEGAL COUNSEL
Stroock & Stroock & Lavan LLP

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
Deloitte & Touche LLP

The Investment Advisor

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

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

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

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

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

WEBSITE ADDRESS
www.swz.com

The Fund

The Fund is a non-diversified, closed-end investment company whose objective is to seek long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies. The Fund also may acquire and hold equity and equity-linked securities of non-Swiss companies in limited instances.

The Fund is listed on the New York Stock Exchange under the symbol "SWZ".

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

1

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders

GLOBAL MARKETS REVIEW

After a volatile summer, and a rebound in August and September as the Federal Reserve cut U.S. interest rates, stock markets around the world registered a difficult fourth quarter. Most of the developed markets had negative fourth quarters, while the strongest emerging markets finished flat during the same period. The detrimental effect of structured finance linked to mortgage debt continued to spread throughout most credit products, creating conditions for the end of the multi-year credit cycle boom.

Default risk has been reintroduced into the equation, and the need for more capital for financial intermediaries has become an urgent reality because of the impairment of assets and the necessity to disclose contingent liabilities on companies' balance sheets.

SWISS MARKET REVIEW

As described in previous reports in 2007, the Swiss market has been affected by issues plaguing the pharmaceuticals industry and investment banks. In 2007, on the positive side the industrial sector had a very strong performance (+27.63%), but as it is a relatively small portion of the market, it had less of an impact on the broad index. In spite of its strong performance, the industrial sector itself went through a correction towards the end of the year as economic activity started to show signs of slowdown worldwide.

However, the Swiss Performance Index (SPI) was up 7.76% in U.S. dollar terms compared to 5.49% for the Standard & Poor's 500 Index. In Swiss francs, the SPI was flat for the year despite the strong headwinds described above.

In corporate news, UBS, after announcing the departure of its CEO earlier in the year, revealed the extent of the damage resulting from its trading in sub-prime mortgage-backed securities. The bank wrote down 10 billion Swiss francs and indicated that it had remaining exposure of 29 billion Swiss francs. At the end of November, the average markdown on various collateralized debt obligations and residential mortgage-backed securities was 60 cents on the

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

dollar. Noticeably, UBS had very little exposure to other problematic areas such as leveraged loans and no exposure to so-called "conduits". However, UBS has also seen losses generated from its portfolio of structured products.

UBS also has announced a proposed dilutive capital management program consisting of the resale of treasury shares, the payment of dividends in stock rather than cash and a 13 billion Swiss franc issue of mandatory convertible bonds carrying a 9% coupon that would be closed to current shareholders. The program, if approved, would bring back the bank's tier one ratio from 8.8% (as of 12/31/07) to 12.2% (at the high end of the industry standard) which was the ratio before the sub-prime crisis. Shareholders will have the opportunity to approve this program at an extraordinary meeting on February 27th. Until then, any recovery in the

2

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

value of UBS' stock could be delayed by other potential issues including counterparty risk, the potential for increases in non-performing loans, and questions about the profitability of the bank's investment banking business model. These challenges notwithstanding, UBS' equity advisory franchise in the investment bank and the global private banking franchise should allow eventually the earnings of the entire company to be on a more normal level.

While Credit Suisse has much less exposure than UBS to U.S. consumer debt, it has greater exposure to corporate debt, mainly leveraged loans (commitments on large private equity transactions) and commercial mortgage-backed securities. Its third quarter results registered a fair value adjustment of 6.9 billion Swiss francs on these commitments and on other structured products.

As of September 2007, Credit Suisse's exposure to funded and unfunded non-investment grade loan commitments stood at 60 billion Swiss francs, much of it due to large private equity deals. Credit Suisse's relatively small fair value adjustment in comparison with its total exposure is probably the reason why it has not outperformed UBS since the crisis started, as investors feared that additional write downs may be required.

In the pharmaceutical area, Novartis announced a restructuring program following the path of some of its European and U.S. peers. The program's goal is to cut costs, mainly through staff reductions, to an estimated annual pre-tax level of 1.6 billion U.S. dollars by 2010. A pre-tax restructuring charge of approximately 450 million U.S. dollars will be taken during the fourth quarter of 2007. Novartis is looking to decentralize its decision-making processes and stated that it will focus resources on research and development.

The outlook for the company will depend on developments in the regulatory environment and execution of projects in the pipeline. While the company's valuation mostly reflects those risks, its cardio-vascular franchise and the growing oncology area will remain the key elements to monitor for a positive re-rating of the stock.

SWISS ECONOMIC NOTES

Switzerland recorded stronger than expected growth of 0.8% in the third quarter (3.2% annualized) mainly as a result of private consumption, which grew

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

by 0.9% over the previous quarter. This factor continues to be an important growth driver and is helped by the continuously improving Swiss labor situation (the unemployment rate finished the year at 2.6%) and rising income. However, all of the other components of domestic demand had negative quarterly growth rates. Most importantly, equipment expenditures were down 4.1% from the prior quarter.

The export sector continued to be a strong contributor to economic activity dur-

3

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

ing the third quarter, increasing by 2.3% over the prior quarter. The growth in Gross Domestic Product (GDP) was 0.8% quarter-on-quarter and 2.3% on a year-over-year basis. Going forward, the performance of the export sector and financial intermediaries, (the latter accounting for up to 44% of overall GDP growth in Switzerland) will continue to be the most important factors to influence economic activity, as private consumption will continue to be affected by tightening credit standards.

Short-term consumption estimates remain positive, however, as the Purchasing Manager Index (PMI), a forward looking indicator, reported solid numbers in November at 63.4 (its highest level was 67.7 on 11/30/06) and order backlog increased to 69.6 (its highest level was 74.5 on 11/30/06).

The Consumer Price Index (CPI) increased from 0.4% (year-on-year) to 1.8% (year-on-year) between August and November. This was principally due to an increase in the price of oil. Excluding oil, the CPI was contained, increasing from 0.7% to 0.9%. The Swiss National Bank (SNB) has forecasted average inflation of 0.7% in 2007, 1.7% in 2008 (assuming an increase in the price of oil in the first half of 2008) and 1.5% in 2009.

Following last quarter's monetary policy decision to cut interest rates, the three-month LIBOR rate rapidly dropped from a high of 2.9% to the target rate of 2.75% and remained at that level. At its last quarterly assessment in December, the SNB decided to leave its target range for the three-month LIBOR unchanged at 2.25%-3.25% and hold the rate in the middle of the target range, (i.e. at 2.75%). The SNB still forecasts a growth rate of a little over 2.5% in 2007 and 2% in 2008.

On the bond interest rate front, the yield on 10-year Confederation bonds dropped slightly during the fourth quarter, and finished the year at 3%. Very short-term government rates (1 year or less) that are influenced more by SNB policy than by market forces, stayed substantially higher than the rates ranging from 2 years to 8 years. However, this second portion of the curve witnessed some steepening that could be related to expectations of higher inflation.

Beginning in August, the Swiss franc benefited clearly from an increase in risk aversion in the market, increasing by 7% against the U.S. dollar and 1% against the euro, which is a new development. The Swiss franc was, after the Japanese yen, the strongest performer against the U.S. dollar among all main currencies. The outlook for the Swiss currency looks quite good based on the

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

reversal of the carry trade, which benefits the funding currencies like the Swiss franc and the Japanese yen as interest rate differentials across different countries are expected to narrow.

OTHER NEWS INVOLVING THE SWISS NATIONAL BANK

On December 12, 2007, the SNB joined the Bank of Canada, the Bank of England, the

4

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

European Central Bank (ECB) and the Federal Reserve Bank (FRB) in a coordinated effort to promote lending and restore liquidity in money markets as inter-bank spreads reached record levels against government rates. The FRB established a Temporary Term Auction Facility under which it offered two auctions of 20 billion U.S. dollars each in December. The FRB also established foreign exchange swap lines with the ECB and the SNB in which they entered with the FRB to auction 24 billion U.S. dollars to banks in Europe.

RIGHTS OFFERING AND FUND PERFORMANCE

Since the conclusion of the Fund's rights offering in June, Management has invested substantially all of the proceeds from the offering in accordance with the Fund's investment objective and policies. The Fund has made new and additional investments in certain asset classes, including industrials, small- and mid-cap issuers and private equity vehicles, where Management has found attractive investment opportunities. In other sectors, such as real estate, Management continues to monitor market conditions and investment opportunities. As previously discussed and anticipated, the rights offering resulted in dilution to the net asset value of the Fund's shares. This dilution was estimated at 6.81% (measured in Swiss francs) at the conclusion of the offering. As of December 31, 2007, the Fund's annual total return based on net asset value was -2.67% (Swiss francs). Calculated without giving effect to this dilution, the Fund's annual total return was 4.00% (Swiss francs) as of December 31, 2007. The SPI's annual total return was -0.05% (Swiss francs) as of December 31, 2007. As such, Management has been able to reduce the impact of the rights offering dilution on the Fund's performance relative to the benchmark. Net of the dilution impact, the relative performance versus the SPI Index was -2.62% and with the effect of the dilution it was 4.05%.

The mid cap sector, in which the Fund has made large investments, has been during the quarter affected by the current economic outlook and redemptions from investors in European and Swiss mutual funds. However, the main issue for the Fund was investors' increased risk aversion for the early stage companies in the biotech sector as the U.S. Food and Drug Administration (FDA) implemented new measures to improve its review process of new drug candidates. Under these measures, the FDA will rely more on external experts. Investors viewed these standards as making the approval process longer and more complex. The uncertainty created by the discussions around this development has penalized companies with a high number of products waiting for approval compared to their existing products on the market.

The Fund's private equity investments have developed favorably, even though they have not yet had a material impact on the Fund's performance, as the Fund has less than 0.5% of its total assets invested in this sector. Management,

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

however, is gradually increasing its exposure to this sector. There are ample opportunities in the venture capital and, especially, the buy-out sectors in Switzerland to

5

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

allow the Fund to make additional investments. The deployment of investments in these sectors is much longer than required for investments in public equities, but stays well within the time frame projected.

As mentioned above, market conditions did not provide the Fund with many attractive investment opportunities in real estate and infrastructure. The price correction of listed real estate companies has brought these companies much closer to their net asset values. Since these companies are mostly active in commercial real estate, Management will continue to monitor developments in consumer spending and the local financial sector to assess the sign of a bottoming process.

6

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

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

	TOTAL RETURN AS OF YEAR ENDED DECEMBER 31									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
SWISS HELVETIA FUND	-2.67%*	20.56%	33.20%	7.75%	22.54%	-20.40%	-22.91%	14.06%	14.70%	15.10%
Swiss Performance Index (SPI)	-0.05%	20.67%	35.61%	6.89%	22.06%	-25.95%	-22.03%	11.91%	11.69%	15.10%
Swiss Market Index (SMI)	-3.43%	15.85%	33.21%	3.74%	18.51%	-27.84%	-21.11%	7.47%	5.71%	14.70%
iShares MSCI Switzlerland/2/ (Formerly called Webs Switzerland)	-0.97%	20.02%	32.45%	6.34%	19.14%	-26.23%	-23.12%	7.75%	12.22%	11.69%
CS EF Swiss Blue Chips/3,7/	-1.66%	18.78%	32.27%	2.75%	18.13%	-28.75%	-22.12%	10.97%	7.57%	14.70%
UBS (CH) Equity Fund/4,7/	-2.55%	18.98%	33.50%	5.00%	18.14%	-26.02%	-22.04%	7.42%	6.43%	12.22%
Pictet (CH) -- Swiss Equities/5,7/	1.94%	19.37%	37.06%	7.05%	20.10%	-27.93%	-22.35%	7.34%	9.38%	11.69%
Saraswiss (Bank Sarasin)/6,7/	-2.86%	18.69%	33.05%	2.93%	19.64%	-28.51%	-24.45%	9.72%	7.10%	14.70%

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

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

/2/ SHARES OF ISHARES MSCI SWITZERLAND ARE TRADED ON THE NEW YORK STOCK EXCHANGE AND SEEKS TO PROVIDE INVESTMENT RESULTS THAT CORRESPOND TO THE PERFORMANCE OF THE SWISS MARKET, AS MEASURED BY THE MSCI SWITZERLAND INDEX. THESE STOCKS REPRESENT SWITZERLAND'S LARGEST AND MOST ESTABLISHED PUBLIC COMPANIES, ACCOUNTING FOR APPROXIMATELY 85% OF THE MARKET CAPITALIZATION OF ALL SWITZERLAND'S PUBLICLY TRADED STOCKS. PERFORMANCE OF SHARES OF ISHARES MSCI SWITZERLAND IS CALCULATED BASED UPON THE CLOSING PRICES OF THE PERIOD INDICATED USING THE SWISS FRANC/U.S. DOLLAR EXCHANGE RATE AS OF NOON EACH SUCH DATE, AS REPORTED BY BLOOMBERG. SUCH EXCHANGE RATES WERE AS FOLLOWS: 12/31/97 = 1.46, 12/31/98 = 1.38, 12/31/99 = 1.60, 12/31/00 = 1.61, 12/31/01 = 1.67, 12/31/02 = 1.39, 12/31/03 = 1.24, 12/31/04 = 1.14, 12/31/05 = 1.32, 12/31/06 = 1.22 AND 12/31/07 = 1.13.

/3/ THIS FUND GIVES INVESTORS ACCESS TO THE SWISS EQUITY MARKET. IT HAS A BROADLY-DIVERSIFIED PORTFOLIO GEARED TO THE LONG-TERM VALUE GROWTH, WITH A PREFERENCE TO LARGE CAP STOCKS. STOCK SELECTION IS BASED ON CRITERIA SUCH AS COMPANY VALUATION, BUSINESS CLIMATE, MARKET POSITIONING AND MANAGEMENT QUALITY.

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

/5/ THIS FUND INVESTS IN SHARES OF COMPANIES LISTED IN SWITZERLAND AND INCLUDED IN THE SPI, MAINLY IN BLUE CHIP STOCKS.

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

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

*NOT INCLUDING THE RIGHTS OFFERING DILUTION, THE NAV PERFORMANCE AS OF 12/31/07 WAS 4.00% MEASURED IN SWISS FRANC TERMS (RESULTING IN CUMULATIVE PERFORMANCE OF 215.20%).

7

THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (concluded)

INDICES PERFORMANCE COMPARISON

YEAR ENDED
DECEMBER 31, 2007

PERFORMANCE IN SWISS FRANCS

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

Swiss Performance Index (SPI)	-0.05%
Swiss Helvetia Fund	
Based on Net Asset Value	-2.67%/1/
CHANGE IN U. S. DOLLAR VS. SWISS FRANC	-7.25%
PERFORMANCE IN U.S. DOLLARS	
SWISS HELVETIA FUND PERFORMANCE	
Based on Net Asset Value	4.95%/2/
Based on Market Price	-3.39%
S & P 500 Index	5.49%
MSCI EAFE Index	11.17%
Lipper European Fund Index (10 Largest)	17.15%
Lipper European Fund Universe Average	11.61%

SOURCES: CITIGROUP FUND SERVICES, LLC AND BLOOMBERG
/1/ NOT INCLUDING THE RIGHTS OFFERING DILUTION THE NAV PERFORMANCE AS OF
12/31/07 WAS 4.00% IN SWISS FRANC TERMS.
/2 /NOT INCLUDING THE RIGHTS OFFERING DILUTION THE NAV PERFORMANCE AS OF
12/31/07 WAS 12.14% IN U.S. DOLLAR TERMS.

OUTLOOK

Beginning in June, the global market started to discount a projected rapid slowdown in corporate earnings in 2008-2009. Not only will the progression of sales numbers be affected by moderation of global economic growth, but also margins will be under pressure due to the effect of negative operating leverage and increased input prices. Return on equity also will suffer from lower earnings and higher capital needs to support business activity, mainly in the financial sector. As mentioned, however, the valuation of stocks in the Swiss markets is now at a level that reflects a major slowdown in the U.S. economy and a more moderate pace of growth outside the United States. While uncertainty about the impact of the credit crisis on global growth remains, Management will use the tools at its disposal including private equity and hedging instruments, to navigate the Fund through the rough environment caused by the unwinding of the U.S. credit bubble.

Sincerely,

/s/ Rodolphe E. Hottinger

Rodolphe E. Hottinger
PRESIDENT AND CHIEF EXECUTIVE OFFICER

/s/ Rudolf Millisits

Rudolf Millisits
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

December 31, 2007

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 beneficial ownership of Common Stock of the Fund. All information presented in the tables is as of

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

December 31, 2007. Information is presented separately with respect to Directors who have been determined to be non-interested Directors and Directors who are interested Directors under the Investment Company Act of 1940, as amended.

CLASS I INTERESTED DIRECTOR
(TERM WILL EXPIRE IN 2010)

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	OTHER D HELD B
Mr. Alexandre de Takacsy/2/ Financiere Hottinguer 43, rue Taitbout 75009 Paris France Age 78	Director	Director from 1987 to 1994 and since 1998.	Senior Advisor to the Hottinger Group and President of Hottinger U.S. Inc. until December 2004; Vice Chairman of the Board, Director, President and Secretary: Hottinger Capital Corp.; Retired Senior Executive: Royal Bank of Canada.	

CLASS I NON-INTERESTED DIRECTOR
(TERM WILL EXPIRE IN 2010)

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	OTHER D HELD B
Mr. Jean-Marc Boillat Les Gradas 47120 Villeneuve de Duras France Age 66	Director; Member of the Governance/ Nominating Committee since 2005.	Director since 2005.	Former CEO, Tornos-Bechler S.A., Moutier; Former Ambassador of Switzerland in various countries, including Lebanon, Cyprus, Angola, Mozambique and Argentina.	

THE SWISS HELVETIA FUND, INC.

Certain Information Concerning Directors (Unaudited) (continued)

CLASS I NON-INTERESTED
DIRECTOR (TERM WILL EXPIRE IN 2010)

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

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	OTHER DIRECTORSH HELD BY DIRECTO
Mr. Claude W. Frey Clos 108 2012 Auvernier Switzerland Age 64	Director; Member of the Governance/ Nominating Committee since 2002.	Director since 1995.	President of the Swiss Parliament from 1994 to 1995; President of the Swiss Police Academy (Neuchatel) from 1996 to 2003; Member of the Swiss Parliament from 1979 to 2003; Parliamentary Assembly of the Council of Europe (Strasbourg) from 1996 to 2004; Executive Board of the "North-South Centre" (Lisbon) since 1999; President of the National Committee for Foreign Affairs from 2001 to 2003 (Vice President from 1991 to 2001); Chairman of the Board: Berun Frais SA (Marin) since 2002; Federation of Swiss Food Industries (Berne) from 1991 to 2001; Association of Swiss Chocolate Manufacturers (Berne) from 1991 to 2000; Vice Chairman of the Board: Federation of Swiss Employers' Association (Zurich) from 1997 to 2001.	Chairman of the Board Tunnel SA (Marin); Be SA (Marin); Member Board: Dexia Banque (Suisse), Zurich; Dex Finance (Switzerland) Racemark Industr (Switzerland) SA, C SCCM SA (Crans-Mon President of the St Committee of InterNu (Zurich); Chairman Executive Board of th South Centre" (Lis Chairman of the Fe Committee for Emp Pension Plans (Be
Ms. R. Clark Hooper 1156 St. Andrews Road Bryn Mawr, PA 19010 Age 61	Director; Member of the Audit Committee and Member of the Governance/ Nominating Committee since 2007.	Director since 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 of certain fu American Fund fund (18 funds); Directo Morgan Value Opport Fund; Chairman and of the Executive Co and Board of Trust Hollins University (Trustee of Children's of Philadelphia (

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

Certain Information Concerning Directors (Unaudited) (continued)

CLASS II NON-INTERESTED DIRECTOR (TERM WILL EXPIRE IN 2008)

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY DIRECTOR
<p>Mr. Paul R. Brenner Esq. 25 Moore Road Bronxville, New York 10708</p> <p>Age 65</p>	<p>Director; Chairman of the Audit Committee since 2006; Member of the Governance/ Nominating Committee since 2005; and Secretary from 1987 to 2002.</p>	<p>Director since December 2002.</p>	<p>Of Counsel of Salans (law firm) since July 1996; Paul R. Brenner, Attorney-at-Law since June 1993; Counsel to the Fund from 1994 to 2002; Partner: Kelly Drye & Warren LLP (law firm) from 1976 to 1993.</p>	<p>Chairman of the Board Director: Harry Li (Private Investment ("P.I.C.")); MFGAT (P.I.C.); Strelsau, Inc. MG Management Co. (P.I.C.); Marango C Management Corp. (P Quercus Foundation (Private Foundati Highstead Fund, Inc. Foundation); High Foundation, Inc. (Ar and Director and S Trustee: The Louis Foundation (Priv Foundation).</p>
<p>Mr. Didier Pineau- Valencienne c/o SAGARD Private Equity Partners 24/32 Rue Jean Goujon 75008 Paris France</p> <p>Age 76</p>	<p>Director; Member of the Audit Committee since 1999; and Member (since 2002) and Chairman (since 2007) of the Governance/ Nominating Committee.</p>	<p>Director since 1999.</p>	<p>Honorary Chairman: Schneider Electric SA (industrial conglomerate) since 1999; Chairman of the Board and CEO of Schneider Electric SA (industrial conglomerate) from 1981 to 1999; Chairman of AFEP from 1999 to 2001; Vice Chairman of Credit Suisse First Boston (Europe) Limited (investment banking) from 1999 to 2002; Senior Advisor of Credit Suisse First Boston since 2002; Partner, SAGARD Private Equity Partners (France).</p>	<p>Director: Fleury M (France); AFEP (Fr Wendel Investisse (formerly Compagnie d'Industrie et de Part (CGIP)) from 1996 t Member of the Board o Ricard; Member of Sup Board of AXA-UAP (F (insurance) from 1998 Member of Advisory Booz Allen & Hamilto from 1997 to 2002; M LaGardere (France) (company).</p>
<p>Mr. Samuel B. Witt, III, Esq. 1802 Bayberry Court, Suite 401 Richmond, Virginia 23226</p>	<p>Director; Chairman (Non-executive) since 2006; Chairman of the Audit Committee</p>	<p>Director since 1987.</p>	<p>Senior Vice President and General Counsel: Stateside Associates, Inc. from August 1993 to May 30, 2004; Senior Consultant to Stateside Associates, Inc. from</p>	<p>Former Member and Pr of the Virginia Mi Institute Board of V Trustee, The Willia Investment Trust (re investment company); George C. Marsh</p>

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

Age 72	from 1993 to 2005; and Member of the Governance/ Nominating Committee since 2002.	June 1 to December 31, 2004; Samuel B. Witt, III, Attorney-at-Law, since August 1993.	Foundation; Trust University of Virginia School Foundation; Director, Gateway Homes, Inc. College Orientation Workshop.
--------	---	---	---

11

THE SWISS HELVETIA FUND, INC.

Certain Information Concerning Directors (Unaudited) (continued)

CLASS III INTERESTED DIRECTOR (TERM WILL EXPIRE IN 2009)

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	OTHER DIRECTORSHIPS HELD BY DIRECTOR
Mr. Paul Hottinguer/2/ Hungerstrosse H2 8832 Wilem- Wollerau Switzerland Age 65	Director; Chairman of the Board of Directors from 1989 to 2006; Chief Executive Officer from 1989 to 2002.	Director since 1987.	Vice Chairman of the Board, Director and Member of Investment Committee: Hottinger Capital Corp.; AXA International Obligation (finance) since 1996; Managing Director: Intercom (holding company) since 1984; Administrator: Investissement Provence SA since 1989; Permanent Representative: Credit Suisse Hottinguer to Provence International (publicly held French mutual fund); Credit Suisse Hottinguer to CS Oblig Euro Souverain (mutual fund); Censor -- Provence Europe (mutual fund); Credit Suisse Hottinguer to PPC; Credit Suisse Hottinguer to Croissance Britannia (investment fund); Credit Suisse Hottinguer to Harwanne Allemagne; Director: Hottinger U.S., Inc. until December 2004; General Partner: Hottinger et Cie (Zurich) until December 2007;	None.

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

President: Gaspee (real estate) from 1992 to 2006; Financiere Hottinguer (holding company) from 1990 to 2002; Financiere Provence Participations (venture capital firm) from 1990 to 2002; Finaxa (finance) from 1982 to 2004; Financiere Hottinguer to CS Institutions Monetaire (mutual fund) from 1990 to 2002; Financiere Hottinguer to CS Court Terme (mutual fund) from 1990 to 2002.

Mr. Michael Kraynak, Jr. 401 Mountain Avenue Ridgewood, New Jersey 07450 Age 77	Director; Member of the Audit Committee since 2005; Member of the Governance/ Nominating Committee since 2005.	Director since 2005.	Partner of Brown Brothers Harriman & Co.; Member, BBH Trust Company Investment Committee.	Director of American Australian Association Chairman, Finance Committee Member, Executive Committee President of the Rockefeller Foundation (private foundation); Trustee Ridgecrest Senior Citizens Housing Corp.; Former Member of the Ridgewood Financial Advisory Committee Former Director: Yale Association of Bergen
---	---	----------------------	---	---

12

THE SWISS HELVETIA FUND, INC.

Certain Information Concerning Directors (Unaudited) (concluded)

CLASS III NON-INTERESTED
DIRECTORS (TERM WILL EXPIRE IN 2009)

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	OTHER DIRECTOR HELD BY DIRECTOR
Mr. Stephen K. West, Esq. Sullivan & Cromwell LLP 125 Broad Street New York,	Director; Member of the Governance/ Nominating Committee since 2002 and	Director since 1995.	Senior Counsel of Sullivan & Cromwell LLP since 1997, including counsel to the Fund's independent Directors; Partner of Sullivan Cromwell from 1964 to 1996.	Director: Pioneer (registered investment company) (52 percent manager) from 1999 First ING Insurance

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

New York 10004 Member of the
Audit
Age 79 Committee
from 1996 to
2004 and since
2006.

of New York from 19
Winthrop Focus
(registered inv
company) from 1988
ING America Holdi
(insurance and bro
holding company) fr
1998; Dresdner RC
Strategic Income F
(registered inv
company) from 1997

13

THE SWISS HELVETIA FUND, INC.

Certain Information Concerning Executive Officers (Unaudited)

The following table sets forth certain information about each person currently serving as an Executive Officer of the Fund, including his beneficial ownership of Common Stock of the Fund. All information presented in the table is as of December 31, 2007.

EXECUTIVE OFFICERS

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	SHARES OF COMMON STOCK BENEFICIALLY OWNED/1/
Mr. Rodolphe E. Hottinger Hottinger et Cie 3 Place des Bergues C.P. 1620 1211 Geneva 1 Switzerland Age 51	President and Chief Executive Officer	Managing Partner: Hottinger et Cie (Zurich) since 1987; President: Financiere Hottinguer Paris; Hottinger Capital, S.A. (Geneva) (investment company) since 2000; Hottinger Asset Management Canada, Inc. since 2007; Hottinger & Partners SA Geneve; Hottinger & Associates Sion since 2001; and Emba, NV (investment company) since 1990; Vice Chairman of the Board, Director, Chief Executive Officer and Member of Investment Committee: Hottinger Capital Corp. ("HCC") since 1994; Director: Hottinger U.S. Inc. until December 2004.	468,944/4/ Over \$1,000,000
Mr. Rudolf Millisits HCC 1270 Avenue of the Americas Suite 400 New York, New York	Senior Vice President, Treasurer and Chief Financial Officer	Director of HCC since December 2000; Chief Operating Officer of HCC since December 1998; Executive Vice President, Portfolio Manager, Member of Investment Committee and Chief	11,640 Over \$200,000

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

10020

Age 50

Compliance Officer of HCC since September 1994; Assistant Secretary of HCC since August 1995; Chairman, CEO, Director of Hottinger U.S., Inc since December 2004; President, CFO: Hottinger Brothers LLC since 2004; Executive Vice President and Assistant Secretary of Hottinger U.S., Inc. until December 2004.

 Mr. Philippe R. Comby, Vice President
 CFA, FRM
 HCC
 1270 Avenue of
 the Americas Suite 400
 New York, New York
 10020

Age 41

Director of HCC since September 2005; Senior Vice President of HCC since 2002; Chief Investment Officer and Senior Vice President of Hottinger Brothers LLC since 2004; President, Director and Secretary of Hottinger U.S., Inc. since December 2004; Chief Investment Officer of Hottinger Asset Management AG (Zurich) since 2007; First Vice President of HCC from 1998 to 2002; Vice President of Hottinger U.S., Inc until December 2004; Treasurer of HCC since 1997. Member of Investment Committee of HCC since 1996.

3,778
 \$50,001-\$100,000

 Mr. Edward J. Veilleux Vice President
 EJV Financial Services and Secretary
 LLC
 5 Brook Farm Court
 Hunt Valley, Maryland
 21030

Age 64

President EJV Financial Services LLC (investment company consulting) since May 2002; Director of Deutsche Asset Management from 1999 to 2002; Principal of BT Alex. Brown Incorporated from 1989 to 1999; Executive Vice President, Investment Company Capital Corp. from 1987 to 2002; Senior Vice President of Old Mutual Advisor Funds (formerly known as the PBHG Funds) since January 2005.

3,461
 \$50,001-\$100,000

THE SWISS HELVETIA FUND, INC.

 Certain Information Concerning Executive Officers (Unaudited) (concluded)

EXECUTIVE OFFICERS

NAME, ADDRESS & AGE	POSITION(S) WITH FUND	PRINCIPAL OCCUPATION(S) DURING AT LEAST THE PAST FIVE YEARS	SHARES OF COMMON STOCK BENEFICIALLY OWNED/1/
Mr. Peter R. Guarino, Esq.	Chief Compliance	Executive Director, Compliance Services of Foreside Fund Services, LLC since	None

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

Forum Compliance Services, LLC Two Portland Square Portland, Maine 04101	Officer	2004; Independent Compliance Consultant from 2002 to 2004; General Counsel and Global Compliance Director of MiFund, Inc. (mutual fund services) from 2000 to 2002.
--	---------	---

Age 50

-
- /1/ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (15 PERSONS) OWNED 806,491 SHARES WHICH CONSTITUTES APPROXIMATELY 2.5% OF THE OUTSTANDING COMMON STOCK OF THE FUND. SHARE NUMBERS IN THIS ANNUAL REPORT HAVE BEEN ROUNDED TO THE NEAREST WHOLE SHARE.
- /2/INDICATES "INTERESTED PERSON," AS DEFINED IN THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "1940 ACT"). PAUL HOTTINGUER AND ALEXANDRE DE TAKACSY ARE "INTERESTED PERSONS" BECAUSE OF THEIR CURRENT POSITIONS WITH HCC, THE FUND'S INVESTMENT ADVISOR.
- /3/AS OF DECEMBER 31, 2007, AS A RESULT OF CERTAIN TRANSFERS IN 2007 AMONG FAMILY MEMBERS AND THE ENTITIES OWNED AND CONTROLLED BY THEM, PAUL HOLLINGUER WAS NO LONGER DEEMED TO OWN SHARES PREVIOUSLY ATTRIBUTED TO HIS OWNERSHIP.
- /4/HOTTINGER ET CIE (ZURICH), A PARTNERSHIP, OWNS 191,074 SHARES OF THE FUND, HCC OWNS 189,187 SHARES OF THE FUND, HOTTINGER TREUHAND AG OWNS 13,098 SHARES OF THE FUND AND HOTTINGER BANK & TRUST LIMITED, NASSAU OWNS 52,355 SHARES OF THE FUND. RODOLPHE E. HOTTINGER IS A CONTROLLING PARTNER OF HOTTINGER ET CIE (ZURICH) AND A CONTROLLING STOCKHOLDER AND DIRECTOR OF HCC AND HOTTINGER TREUHAND AG AND THEREFORE HAS VOTING AND INVESTMENT POWER OVER THE 445,714 SHARES OF THE FUND OWNED BY HOTTINGER ET CIE (ZURICH), HCC, HOTTINGER TREUHAND AG AND HOTTINGER BANK & TRUST LIMITED, NASSAU. IN ADDITION, MR. HOTTINGER AND HIS CHILDREN DIRECTLY OWN 23,230 SHARES OF THE FUND.

15

THE SWISS HELVETIA FUND, INC.

Review of Operations (Unaudited)

Trading activity for the year ended December 31, 2007 involved changes in the following positions:

NEW INVESTMENTS BY THE FUND

Aare-Tessin AG Fuer Elektrizitaet Olten
ABB Ltd., Expired 6/15/07 -- Call Warrant
ABB Ltd., Expired 12/21/07 -- Call Warrant
Actelion, Ltd., Expires 3/20/08 -- Call Warrant
Addex Pharmaceuticals SA
Aravis Venture II -- Limited Partnership
Atel Holding AG
Bachem Holding
Credit Suisse Group, Expires 5/16/08 -- Warrant
Dufry Group
Elektrizitaets-Gesellschaft Laufenburg AG
EMS -- Chemie Holding AG
Flughafen Zuerich AG

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

Komax Holding AG
Lonza Group, Expired 5/18/07 -- Call Warrant
Lonza Group, Expired 6/15/07 -- Call Warrant
Novartis AG, Expires 4/18/08 -- Warrant
OC Oerlikon Corp. AG
Partners Group
Petroplus Holdings AG
Raetia Energie AG
Santhera Pharmaceuticals AG
Schulthess Group AG
SLI Swiss Leader Index, Expires 3/20/08 -- Put Warrant
SMIM Total Return Index, Expires 3/20/08 -- Put Warrant
Swiss Market Index, Expired 9/21/07 -- Put Warrant
Swiss Market Index, Expires 1/18/08 -- Call Warrant
Swiss Market Index, Expires 2/15/08 -- Call Warrant
Swiss Market Index, Expires 3/20/08 -- Put Warrant
Swiss Market Index, Expires 4/18/08 -- Put Warrant
Tecan Group AG
Temenos Group AG
UMS Schweizerische Metallwerke Holding
Zurmunt Madison Private Equity, LP

ADDITIONS TO EXISTING INVESTMENTS

ABB Ltd.
Credit Suisse Group
Centralschweizerische Kraftwerke AG
Precious Woods Holdings AG
Schmolz and Bickenbach AG
Swatch Group AG
Syngenta AG

SECURITIES DISPOSED OF

ABB Ltd., Expired 6/15/07 -- Call Warrant
ABB Ltd., Expired 12/21/07 -- Call Warrant
Adecco SA
Cie Financ Richmond, Class A
Lonza Group, Expired 5/18/07 -- Call Warrant
Lonza Group, Expired 6/15/07 -- Call Warrant
Julius Baer Holding AG
Kudelski SA
Novartis AG, Expires 4/18/08 -- Warrant
Sulzer AG
Swiss Life Holding
Swiss Market Index, Expired 9/21/07 -- Put Warrant
Swiss Market Index, Expires 1/18/08 -- Call Warrant

REDUCTIONS IN EXISTING INVESTMENTS

Bank Sarasin & Cie AG
BKW FMB Energie AG
Galencia Holding AG
Jelmoli Holding AG
Nestle SA
Novartis AG -- Registered Shares
Roche Holdings -- Genus

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

Sika AG
Zurich Financial Services AG

16

THE SWISS HELVETIA FUND, INC.

Schedule of Investments

December 31, 2007

No. of Shares	Security	Fair Value	Percent of Net Assets

COMMON STOCKS -- 101.74%			
BANKS -- 11.80%			
430	BANK SARASIN & CIE AG REGISTERED SHARES Offers private banking, asset management, investment advisory, and institutional banking services. (Cost \$1,611,112)	\$ 2,031,975	0.33%
450,000	CREDIT SUISSE GROUP/2/ REGISTERED SHARES A global diversified financial service company with significant activity in private banking, investment banking, asset management and insurance service. (Cost \$16,683,206)	27,067,968	4.35%
100,000	EFG INTERNATIONAL REGISTERED SHARES Holding company of EFG Bank. Offers private banking and asset management services. (Cost \$3,249,443)	4,018,902	0.65%
870,000	UBS AG/2/ REGISTERED SHARES A global diversified financial service company with significant activity in private banking, investment banking, and asset management. (Cost \$7,403,841)	40,266,749	6.47%
		-----	-----
		73,385,594	11.80%

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

No. of Shares	Security	Fair Value	Percent of Net Assets

BASIC RESOURCES -- 3.55%			
117,236	PRECIOUS WOODS HOLDING AG/1/ REGISTERED SHARES Through subsidiaries, manages tropical forests using ecologically sustainable forest management methods. Harvests tropical trees and processes them into lumber. (Cost \$10,847,127)	\$ 12,664,367	2.04%
93,760	SCHMOLZ AND BICKENBACH AG REGISTERED SHARES Manufactures industrial and construction steel. (Cost \$2,962,747)	7,577,653	1.22%
75,000	UMS SCHWEIZERISCHE METALLWERKE HOLDING AG/1/ BEARER SHARES Produces profiles and large dimension rods for electrical engineering, mechanical engineering, and construction companies, lead-free brass wire for batteries, billets, and small diameter wire and rods for the consumer goods and electronics industries. (Cost \$1,655,849)	1,815,131	0.29%
		-----	-----
		22,057,151	3.55%
BIOTECHNOLOGY -- 13.36%			
664,655	ACTELION LTD./1, 2/ REGISTERED SHARES Biotechnology company that develops and markets synthetic small-molecule drugs against diseases related to the endothelium. (Cost \$17,871,161)	30,557,164	4.91%

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

Schedule of Investments (continued) December 31, 2007

No. of Shares	Security	Fair Value	Percent of Net Assets

COMMON STOCKS -- (CONTINUED)			
BIOTECHNOLOGY -- (CONTINUED)			
288,360	ADDEX PHARMACEUTICALS SA/1/ REGISTERED SHARES Bio-pharmaceutical company that discovers, develops, and markets therapeutic compounds for the treatment of addiction and other neuropsychiatric conditions. (Cost \$15,078,778)	\$ 10,047,964	1.62%
10,000	BACHEM HOLDING AG REGISTERED SHARES Manufactures ingredients for pharmaceuticals, generic drugs, and research supplies. (Cost \$833,329)	845,294	0.14%
156,200	BASILEA PHARMACEUTICA/1,2/ REGISTERED SHARES Conducts research into the development of drugs for the treatment of infectious diseases and dermatological problems. (Cost \$21,602,083)	30,421,852	4.89%
10,000	SANTHERA PHARMACEUTICALS AG/1/ REGISTERED SHARES Drug discovery and development company. (Cost \$948,284)	750,784	0.12%
91,903	SPEEDEL HOLDING AG/1/ REGISTERED SHARES Researches and develops therapies for cardiovascular and metabolic diseases. (Cost \$12,460,344)	10,455,422	1.68%
		-----	-----
		83,078,480	13.36%

No. of Shares	Security	Fair Value	Percent of Net Assets

CHEMICALS -- 6.81%

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

45,000	EMS -- CHEMIE HOLDING AG REGISTERED SHARES	\$ 6,621,914	1.06%
	Manufactures and markets performance polymers, high- grade chemical intermediates, fine chemicals, and protective bonding, coating and sealing products. (Cost \$5,881,838)		
140,331	SYNGENTA AG/2/ REGISTERED SHARES	35,759,832	5.75%
	Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$17,590,749)		
		-----	----
		42,381,746	6.81%
CONSTRUCTION & MATERIALS -- 1.19%			
1,141	BELIMO HOLDING AG REGISTERED SHARES	1,297,061	0.21%
	World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$222,726)		
3,220	SIKA AG BEARER SHARES	6,075,096	0.98%
	Leading producer of construction chemicals. (Cost \$891,990)		
		-----	----
		7,372,157	1.19%

18

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (continued) December 31, 2007

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

COMMON STOCKS -- (CONTINUED)

FINANCIAL SERVICES -- 0.95%

44,100 PARTNERS GROUP

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

	REGISTERED SHARES	\$ 5,920,770	0.95%
	Global alternative asset management firm in private equity, private debt, private real estate, infrastructure and hedge funds. (Cost \$5,310,578)		
		-----	-----
		5,920,770	0.95%
FOOD & BEVERAGES -- 14.25%			
2,690	BARRY CALLEBAUT AG REGISTERED SHARES Manufactures cocoa, chocolate, and confectionary products. (Cost \$1,399,816)	2,043,369	0.33%
340	LINDT & SPRUNGLI AG REGISTERED SHARES Major manufacturer of premium Swiss chocolates. (Cost \$1,977,813)	11,943,470	1.92%
162,500	NESTLE SA/2/ REGISTERED SHARES Largest food and beverage processing company in the world. (Cost \$9,260,282)	74,636,753	12.00%
		-----	-----
		88,623,592	14.25%
INDUSTRIAL GOODS & SERVICES -- 5.40%			
646,457	ABB LTD. REGISTERED SHARES The holding company for ABB Group which is one of the largest electrical engineering firms in the world. (Cost \$9,612,320)	18,626,001	2.99%
No. of Shares	Security	Fair Value	Percent of Net Assets

INDUSTRIAL GOODS & SERVICES -- (CONTINUED)			
6,440	INFICON HOLDING AG REGISTERED SHARES Manufactures and markets vacuum instruments used to monitor and control production processes. Manufactures on-site chemical detection and monitoring system. (Cost \$581,616)	\$ 1,038,113	0.17%

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

87,215	KOMAX HOLDING AG/1/ REGISTERED SHARES	13,943,307	2.24%
	Manufactures wire processing machines. Produces machines for cutting and stripping round and flat wire, crimping and insertion machines for processing single wires and equipment for processing wire harnesses. (Cost \$14,003,435)		
		-----	----
		33,607,421	5.40%
INSURANCE -- 0.98%			
20,800	ZURICH FINANCIAL SERVICES AG REGISTERED SHARES	6,108,731	0.98%
	Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost \$3,338,952)		
		-----	----
		6,108,731	0.98%

19

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (continued) December 31, 2007

No. of Shares	Security	Fair Value	Percent of Net Assets

COMMON STOCKS -- (CONTINUED)			
MEDICAL TECHNOLOGY -- 0.74%			
32,205	SONOVA HOLDING AG REGISTERED SHARES	\$3,638,228	0.58%
	Designs and produces wireless analog and digital in-the-ear and behind-the-ear hearing aids and miniaturized voice communications systems. (Cost \$1,100,139)		
16,500	TECAN GROUP AG REGISTERED SHARES	991,035	0.16%
	Develops, manufactures and distributes laboratory automation		

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

components and systems.

(Cost \$1,238,914)

4,629,263 0.74%

OIL AND GAS -- 1.32%

106,000 PETROPLUS HOLDINGS AG/1/
REGISTERED SHARES
Refines, supplies, markets and
distributes petroleum products.
(Cost \$10,236,308)

8,211,103 1.32%

8,211,103 1.32%

PERSONAL & HOUSEHOLD GOODS -- 2.89%

20,950 ADVANCED DIGITAL BROADCAST
HOLDING SA/1/
REGISTERED SHARES
Develops equipment and systems to
view and interact with digital TV
broadcast through cable, satellite,
and telecommunication networks.
(Cost \$1,352,807)

592,148 0.10%

No. of Shares	Security	Fair Value	Percent of Net Assets

PERSONAL & HOUSEHOLD GOODS -- (CONTINUED)

20,000 SCHULTHESS GROUP
REGISTERED SHARES
Develops, manufactures and sells
household appliances and heating
equipment.
(Cost \$2,327,602)

\$ 2,383,076 0.38%

49,816 SWATCH GROUP AG
BEARER SHARES
Manufactures finished watches,
movements and components.
Produces components necessary
to its eighteen watch brand
companies. Also operates retail
boutiques.
(Cost \$13,753,331)

15,015,422 2.41%

17,990,646 2.89%

PHARMACEUTICALS -- 16.99%

781,300 NOVARTIS AG/2/
REGISTERED SHARES
One of the leading manufacturers
of branded and generic
pharmaceutical products.

42,855,390 6.89%

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

Manufactures nutrition products.
(Cost \$8,326,468)

363,600	ROCHE HOLDING AG/2/ NON-VOTING EQUITY SECURITIES Worldwide pharmaceutical company. (Cost \$6,578,721)	62,818,673	10.10%
		-----	-----
		105,674,063	16.99%

20

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (continued) December 31, 2007

No. of Shares	Security	Fair Value	Percent of Net Assets

COMMON STOCKS -- (CONTINUED)			
REAL ESTATE AND INFRASTRUCTURE -- 0.73%			
11,100	FLUGHAFEN ZUERICH AG REGISTERED SHARES Constructs, leases, and maintains airport structures and equipment. (Cost \$4,365,202)	\$ 4,510,003	0.73%
		-----	-----
		4,510,003	0.73%
RETAILERS -- 5.56%			
18,500	DUFY GROUP REGISTERED SHARES Operates duty-free shops in countries such as Tunisia, Italy, Mexico, France, Russia, the United Arab Emirates, Singapore, the Caribbean and the United States. (Cost \$2,002,450)	2,058,915	0.33%
62,950	GALENICA AG/2/ REGISTERED SHARES Manufactures and distributes prescription and over-the-counter drugs, toiletries and hygiene products. (Cost \$11,494,134)	27,523,076	4.42%

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

2,100	JELMOLI HOLDING AG BEARER SHARES	5,035,993	0.81%
	Owns and operates department and retail stores and provides mail-order catalog and real estate leasing services. (Cost \$3,707,265)		
		-----	----
		34,617,984	5.56%
No. of		Fair	Percent
Shares	Security	Value	of Net
			Assets

TECHNOLOGY -- 7.68%			
78,400	OC OERLIKON CORP. AG/2/ REGISTERED SHARES	\$ 32,771,983	5.27%
	Manufactures coating machinery, semiconductor assembly equipment, and satellite components. (Cost \$28,798,949)		
606,200	TEMENOS GROUP AG/1/ REGISTERED SHARES	14,965,588	2.41%
	Provides integrated software for the banking sector. (Cost \$13,106,926)		
		-----	----
		47,737,571	7.68%
UTILITY SUPPLIERS -- 7.54%			
500	AARE-TESSIN AG FUR ELEKTRIZITAT REGISTERED SHARES	2,042,132	0.33%
	Generates, transmits, and distributes electricity in Switzerland and neighboring countries. (Cost \$1,275,916)		
14,750	ATEL HOLDING AG REGISTERED SHARES	7,882,127	1.27%
	Generates, transmits and distributes electricity throughout Europe. (Cost \$5,398,957)		
147,250	BKW FMB ENERGIE AG REGISTERED SHARES	18,728,967	3.01%
	Produces electricity using nuclear, hydroelectric, solar, biomass and wind energy. (Cost \$7,675,799)		

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (continued) December 31, 2007

No. of Shares	Security	Fair Value	Percent of Net Assets
COMMON STOCKS -- (CONTINUED)			
UTILITY SUPPLIERS -- (CONTINUED)			
28,409	CENTRALSCHWEIZERISCHE KRAFTWERKE AG REGISTERED SHARES Supplies electric power, operates and maintains distribution network facilities, constructs and installs equipment, and offers consulting services to its clients. (Cost \$8,525,835)	\$ 14,052,060	2.26%
1,500	ELECTRIZITAETS-GESELLSCHAFT LAUFENBURG AG BEARER SHARES Operates nuclear and hydroelectric generating plants and sells excess power throughout Europe. (Cost \$1,970,882)	1,978,095	0.32%
5,000	RAETIA ENERGIE AG PARTICIPATION CERTIFICATE Generates and distributes electric power from its own hydroelectric stations, as well as from outside nuclear power suppliers of electric power. (Cost \$2,035,541)	2,208,188	0.35%
		----- 46,891,569	----- 7.54%
	TOTAL COMMON STOCKS (Cost \$318,551,565) *	632,797,844	101.74%
PRIVATE EQUITY INVESTMENTS /3/ -- 0.20%			
	ARAVIS VENTURE II -- LIMITED PARTNERSHIP (150,000 EURO)/4/	219,308	0.04%
	ZURMONT MADISON PRIVATE		

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

EQUITY, LP (1,145,330 CHF)/4/	1,011,641	0.16%
	-----	-----
TOTAL PRIVATE EQUITY INVESTMENTS (Cost \$1,171,902)	1,230,949	0.20%

No. of Shares/ Units	Security	Fair Value	Percent of Net Assets

LONG CALL WARRANTS -- 0.59%			
4,800,000	ACTELION LTD, EXPIRES 03/20/2008 AT 56.00 CHF	\$ 678,355	0.11%
7,370,000	CREDIT SUISSE GROUP, EXPIRES 05/16/08 AT 76.50 CHF	846,266	0.14%
14,100,000	SWISS MARKET INDEX, EXPIRES 02/15/08 AT 8,900.00 CHF	2,117,211	0.34%
		-----	-----
	TOTAL CALL WARRANTS (Cost \$4,521,658)	3,641,832	0.59%
LONG PUT WARRANTS -- 1.00%			
2,600,000	SLI SWISS LEADER INDEX, EXPIRES 03/20/08 AT 1,300.00 CHF /3/	1,584,596	0.25%
7,868,000	SMIM PRICE INDEX, EXPIRES 04/18/08 AT 15,500.00 CHF	2,015,387	0.32%
2,000,000	SMIM TOTAL RETURN INDEX, EXPIRES 01/18/08 AT 1,600.00 CHF /3/	282,648	0.05%
1,800,000	SMIM TOTAL RETURN INDEX, EXPIRES 03/20/08 AT 1,580.00 CHF /3/	715,453	0.12%
5,900,000	SWISS MARKET INDEX, EXPIRES 03/20/08 AT 8,200.00 CHF /3/	1,615,510	0.26%
		-----	-----
	TOTAL PUT WARRANTS (Cost \$6,340,797)	6,213,594	1.00%
	TOTAL INVESTMENTS (Cost \$330,585,922) *	\$643,884,219	103.53%
	OTHER ASSETS LESS OTHER LIABILITIES, NET	(21,968,764)	-3.53%
		-----	-----
	NET ASSETS	\$621,915,455	100.00%
		=====	=====

THE SWISS HELVETIA FUND, INC.

Schedule of Investments (concluded) December 31, 2007

- /1/NON-INCOME PRODUCING SECURITY.
 /2/ONE OF THE TEN LARGEST PORTFOLIO HOLDINGS.
 /3/PRIVATE EQUITY INVESTMENTS ARE PRICED AT FAIR VALUE AS DETERMINED BY THE BOARD'S VALUATION COMMITTEE AND LISTED WARRANTS ARE PRICED BY MANAGEMENT IF NO BID PRICES ARE AVAILABLE. PLEASE REFER TO NOTE 1B. VALUATION OF SECURITIES ON PAGE 28. AT THE END OF THE PERIOD, THE VALUE OF THESE SECURITIES AMOUNTED TO \$5,429,156 OR 0.87% OF NET ASSETS.
 /4/RESTRICTED SECURITY NOT REGISTERED UNDER THE SECURITIES ACT OF 1933 OTHER THAN RULE 144A SECURITIES. AT THE END OF THE PERIOD, THE VALUE OF THESE SECURITIES AMOUNTED TO \$1,230,949 OR 0.20% OF NET ASSETS. ADDITIONAL INFORMATION ON THE RESTRICTED SECURITIES IS AS FOLLOWS:

Security -----	Acquisition Date -----	Acquisition Cost -----	Acquisition Value per unit -----
Aravis Venture II	July 31, 2007	\$205,328	\$1.00
Zurmont Madison Private Equity, LP	August 9, 2007	79,022	1.00
Zurmont Madison Private Equity, LP	September 13, 2007	778,342	1.00
Zurmont Madison Private Equity, LP	December 17, 2007	109,210	1.00

*COST FOR FEDERAL INCOME TAX PURPOSES IS \$330,585,922 AND NET UNREALIZED APPRECIATION (DEPRECIATION) CONSISTS OF:

GROSS UNREALIZED APPRECIATION	\$328,070,839
GROSS UNREALIZED DEPRECIATION	(14,772,542)

NET UNREALIZED APPRECIATION	\$313,298,297
	=====

SEE NOTES TO FINANCIAL STATEMENTS.

THE SWISS HELVETIA FUND, INC.

Statement of Assets and Liabilities December 31, 2007

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

ASSETS:

Investments, at fair value (cost \$330,585,922).....	\$643,884,2
Cash.....	922,2
Foreign currency (cost \$22,827,250).....	23,796,7
Tax reclaims receivable.....	3,326,9
Prepaid expenses.....	49,6
Total assets.....	671,979,8

LIABILITIES:

Capital gain distribution payable.....	45,758,8
Payable for securities purchased.....	3,424,1
Advisory fees payable (Note 2).....	366,3
Directors' fees and expenses.....	97,0
Accrued expenses and other.....	418,0
Total liabilities.....	50,064,4
Net assets.....	\$621,915,4

COMPOSITION OF NET ASSETS:

Paid in capital.....	299,691,8
Distributable earnings	
Undistributed net investment income.....	1,407,218
Accumulated net realized gain from investment and foreign currency transactions.....	6,287,883
Net unrealized appreciation on investments and foreign currency.....	314,528,526
Total distributable earnings.....	322,223,6
Net assets.....	\$621,915,4

NET ASSET VALUE PER SHARE:

(\$621,915,455 / 32,156,607 shares outstanding, 50 million shares authorized)....	\$ 19.
---	--------

SEE NOTES TO FINANCIAL STATEMENTS.

THE SWISS HELVETIA FUND, INC.

Statement of Operations

For the Year Ended December 31, 2007

INVESTMENT INCOME:

Dividends (less foreign taxes withheld of \$1,216,956).....	\$ 6,896,085
Interest.....	397,025
Total income.....	7,293,110

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

EXPENSES:		
Investment advisory fees (Note 2).....	4,302,746	
Directors' fees & expenses.....	595,445	
Professional fees.....	306,374	
Administration fees.....	364,876	
Custody fees.....	75,134	
Printing and shareholder reports.....	300,222	
Accounting fees.....	114,984	
Transfer agent fees.....	23,760	
Interest expense.....	164,351	
Tax expense.....	75,553	
Miscellaneous.....	272,592	

Total expenses.....	6,596,037	

Net investment income.....	697,073	

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:		
Net realized gain (loss) from:		
Investment transactions.....	52,453,003	
Foreign currency transactions.....	865,367	
Written call options.....	(103,985)	
Net change in unrealized appreciation/depreciation from:		
Investment transactions.....	(842,085)	
Foreign currency translations.....	1,171,537	

Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency...	53,543,837	

NET INCREASE IN NET ASSETS FROM OPERATIONS.....	\$54,240,910	=====

SEE NOTES TO FINANCIAL STATEMENTS.

THE SWISS HELVETIA FUND, INC.

Statements of Changes in Net Assets

	For the	For the
	Year Ended	Year Ended
	December 31, 2007	December 31, 2006

INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS:		
Net investment income.....	\$	697,073
Net realized gain (loss) from:	\$	430,

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

Investment transactions.....	52,453,003	54,274,
Foreign currency transactions.....	865,367	77,
Written options.....	(103,985)	
Net change in unrealized appreciation/depreciation from:		
Investment transactions.....	(842,085)	70,960,
Foreign currency translations.....	1,171,537	303,
	-----	-----
Net increase in net assets from operations.....	54,240,910	126,046,
	-----	-----
DISTRIBUTIONS TO STOCKHOLDERS FROM:		
Net investment income and net realized gains from foreign currency transactions.....	--	(685,
Net realized capital gains.....	(58,616,416)	(47,712,
	-----	-----
Total distributions to stockholders.....	(58,616,416)	(48,397,
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Value of sales of shares issued in connection with rights offering.....	135,360,705	
Offering costs on rights issuance.....	(5,081,422)	
Value of shares issued in reinvestment of dividends and distributions.....	--	12,903,
Value of shares repurchased through stock buyback.....	(6,803,424)	(7,550,
	-----	-----
Total increase from capital share transactions.....	123,475,859	5,352,
	-----	-----
Total increase in net assets.....	119,100,353	83,001,
NET ASSETS:		
Beginning of year.....	502,815,102	419,813,
	-----	-----
End of year (including undistributed (distributions in excess of) net investment income) of \$1,407,218 and (\$155,222), respectively).....	\$621,915,455	\$502,815,
	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS.

26

THE SWISS HELVETIA FUND, INC.

Financial Highlights

	For the Years Ended		
	2007	2006	2005
	-----	-----	-----
PER SHARE OPERATING PERFORMANCE:			
Net asset value at beginning of year.....	\$ 20.61	\$ 17.47	\$ 16.7
	-----	-----	-----
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income (expenses in excess of income).....	0.02/1/	0.02/1/	0.0

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

Net realized and unrealized gain on investments/2/.....	1.98	5.14	2.2
	-----	-----	-----
Total from investment operations.....	2.00	5.16	2.2
	-----	-----	-----
Gain from capital share repurchases.....	0.04	0.03	0.0
Capital charge resulting from the issuance of fund shares....	(1.36)/3/	(0.07)	(0.0)
	-----	-----	-----
LESS DISTRIBUTIONS:			
Dividends from net investment income and net realized gains from foreign currency transactions.....	--	(0.03)	(0.0)
Dividends in excess of net investment income.....	--	--	--
Distributions from net realized capital gains.....	(1.95)	(1.95)	(1.5)
	-----	-----	-----
Total distributions.....	(1.95)	(1.98)	(1.6)
	-----	-----	-----
Net asset value at end of year.....	\$ 19.34	\$ 20.61	\$ 17.4
	=====	=====	=====
Market value per share at end of year.....	\$ 16.50	\$ 19.10	\$ 15.3
	=====	=====	=====
TOTAL INVESTMENT RETURN/4/:			
Based on market value per share.....	(3.39)%	37.64%	13.1
Based on net asset value per share/5/.....	4.95%	30.16%	14.9
RATIOS TO AVERAGE NET ASSETS:			
Expenses.....	1.10%	1.17%	1.1
Net investment income (expenses in excess of income).....	0.12%	0.09%	0.2
SUPPLEMENTAL DATA:			
Net assets at end of year (000's).....	\$621,915	\$502,815	\$419,81
Average net assets during year (000's).....	\$599,573	\$484,631	\$415,07
Stockholders of record/6/.....	736	794	74
Portfolio turnover rate.....	26%	34%	3

/1/CALCULATED USING THE AVERAGE SHARES METHOD.

/2/INCLUDES NET REALIZED AND UNREALIZED CURRENCY GAIN (LOSS).

/3/ISSUED IN CONNECTION WITH RIGHTS OFFERING.

/4/TOTAL INVESTMENT RETURN BASED ON MARKET VALUE DIFFERS FROM TOTAL INVESTMENT RETURN BASED ON NET ASSET VALUE DUE TO CHANGES IN THE RELATIONSHIP BETWEEN THE FUND'S MARKET PRICE AND ITS NET ASSET VALUE PER SHARE.

/5/NOT INCLUDING THE RIGHTS OFFERING DILUTION THE NAV PERFORMANCE AS OF 12/31/07 WAS 12.14% IN US DOLLAR TERMS. THIS CALCULATION WAS DETERMINED BY ADJUSTING THE BEGINNING NAV IN THE TOTAL RETURN CALCULATION BY THE PER SHARE CAPITAL CHANGE RESULTING FROM THE ISSUANCE OF FUND SHARES.

/6/NOT AUDITED BY DELOITTE & TOUCHE LLP.

SEE NOTES TO FINANCIAL STATEMENTS.

27

THE SWISS HELVETIA FUND, INC.

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

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

investment management company. The Fund is organized as a corporation under the laws of the State of Delaware.

The investment objective of the Fund is to seek long-term growth of capital through investment in equity and equity-linked securities of Swiss companies. The Fund may also acquire and hold equity and equity-linked securities of non-Swiss companies in limited instances, as fully described in its prospectus.

B. VALUATION OF SECURITIES

The Fund values its investments at fair value.

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

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

It is the responsibility of the Fund's Board of Directors (the "Board") to establish fair valuation procedures. When valuing securities for which market quotations are not readily available or for which the market quotations that are available are considered unreliable, the Fund determines a fair value in good faith in accordance with these procedures. The Fund may use these procedures to establish the fair value of securities when, for example, a significant event occurs between the time the market closes and the time the Fund values its investments. After consideration of various factors, the Fund may value the securities at their last reported price or at some other value. As of December 31, 2007, Aravis Venture II and Zurmont Madison Private Equity, LP are restricted securities priced at fair value as determined by the Board's Valuation Committee pursuant to the Board's valuation procedures. Listed warrants with no trading are valued using the bid option price. If no bid prices are available, then Management uses a theoretical bid price based on the Black-Scholes model, which is a method of valuing securities by reference to the value of other securities with similar characteristics such as rating, interest rate and maturity.

C. SECURITIES TRANSACTIONS AND INVESTMENT INCOME

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

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

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

D. DISTRIBUTIONS

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

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

ex-dividend date.

E. FEDERAL INCOME TAXES

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

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

28

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

F. SECURITIES LENDING INCOME

The Fund may lend securities to financial institutions. The Fund retains beneficial ownership of the securities it has loaned and continues to receive amounts equivalent to the dividends paid on these securities and to participate in any changes in their market value. For the initial transaction, the Fund requires the borrowers of the securities to establish collateral with the Fund in the form of cash and/or government securities equal to 105% of the value of the securities loaned. Subsequent to the initial transaction, the Fund requires the borrowers to maintain collateral with the Fund equal to 100% of the value of the securities loaned. The Fund receives fees as compensation for lending its securities. Either the Fund or the borrower may terminate the securities loan at any time. There were no securities on loan during the year ended December 31, 2007.

G. FOREIGN CURRENCY TRANSLATION

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

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

When calculating realized and unrealized gains or losses on investments in equity securities, the Fund does not separate the gain or loss attributable to

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

changes in the foreign currency price of the security from the gain or loss attributable to the change in the U.S. dollar value of the foreign currency. Other foreign currency transactions resulting in realized and unrealized gain (loss) are disclosed separately.

H. ESTIMATES

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

NOTE 2--FEES AND TRANSACTIONS WITH AFFILIATES

Hottinger Capital Corp. ("HCC"), which is owned jointly by Hottinger U.S., Inc. and Hottinger & Cie (Zurich), is the Fund's advisor (the "Advisor"). The Fund pays the Advisor an annual fee based on its month-end net assets which is calculated and paid monthly at the following annual rates: 1.00% of the first \$60 million, 0.90% of the next \$40 million, 0.80% of the next \$100 million, 0.70% of the next \$100 million, 0.65% of the next \$100 million, 0.60% of the next \$100 million, 0.55% of the next \$100 million, and 0.50% of such assets in excess of \$600 million. The Fund paid the Advisor \$4,302,746 in investment advisory fees for the year ended December 31, 2007. The Fund paid Hottinger & Cie (Zurich) \$21,209 in brokerage commissions for the year ended December 31, 2007.

The Fund and the Advisor have agreed to share certain common expenses subject to review and allocation by the Audit Committee (the "Committee") of the Board. During the year ended December 31, 2007, the Committee allocated \$73,795 of expenses incurred in connection with publicizing the Fund as follows: \$36,897.50 to the Fund and \$36,897.50 to the Advisor.

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

NOTE 3--OTHER FEES

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

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

29

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

On December 28, 2006, Swiss American Securities, Inc. and Credit Suisse First Boston commenced transition of custody responsibility to Citibank, N.A. (the "Custodian"); the transfer was completed on January 16, 2007. The Fund pays the custodian an annual fee.

The Fund pays each director who is not an interested person (as such term is defined in the Act) of the Fund or its Advisor approximately \$30,268 per annum in compensation, except for the Chairman of the Board to whom the fund pays an annual fee of approximately \$42,568 and for the Chairmen of the Audit Committee and the Governance/Nominating Committee, to whom the Fund pays an annual fee of

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

approximately \$35,567. In addition, the Fund pays each disinterested director \$1,300 for each Board meeting attended, and pays each disinterested Director who is a member of a Committee a fee of \$750 for each Committee meeting attended. In connection with the Fund's right offering in 2007, the Board established an Ad Hoc Rights Offering Committee. The Fund paid each disinterested director who was a member of that Committee a fee of \$1,000 for each Committee meeting attended. Committee meeting fees are paid for only those meetings held separately from other meetings. In addition, the Fund reimburses directors who are not employees of or affiliated with the Advisor for out-of-pocket expenses incurred in conjunction with attendance at meetings.

Directors' fees and expenses payable of \$97,010 shown on the Statements of Assets and Liabilities represents total dollars owed to Directors that have been accrued and not paid. Directors' fees and expenses of \$595,445 shown on the Statement of Operations represent the portion of Directors' fees and expenses accrued during the period January 1, 2007 through December 31, 2007. These fees are calculated by projecting Directors' fees contractually owed and adding estimates of reimbursable expenses based on historical activity.

NOTE 4--CAPITAL SHARE TRANSACTIONS

The Fund is authorized to issue up to 50 million shares of capital stock. HCC owned 189,187 of the 32,156,607 shares outstanding on December 31, 2007. Transactions in capital shares were as follows:

	For the Year Ended December 31, 2007		For the Year Ended December 31, 2006	
	Shares	Amount	Shares	Amount
Sale of Shares through rights offering	8,149,552	\$135,360,705	--	\$ --
Dividends				
Reinvested	--	--	798,957	12,903,159 / (a) /
Repurchased	(390,600)	(6,803,424)	(430,800)	(7,550,175)
	-----	-----	-----	-----
Net increase	7,758,952	\$128,557,281	368,157	\$ 5,352,984
	=====	=====	=====	=====

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

NOTE 5--FEDERAL INCOME TAX AND INVESTMENT TRANSACTIONS

At December 31, 2007, 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 treatments of foreign currency transactions.

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

Undistributed Net Investment Income	\$ 865,367
Undistributed Net Realized Gain	(872,274)
Paid-In-Capital	6,907

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

The tax character of distributions paid during 2007 and 2006 was as follows (see page 35 for details):

	2007	2006	
-	-----	-----	
Ordinary income	\$ 8,392,875	\$14,699,228	
Long-term capital gains	50,223,541	33,698,569	
Equalization	6,903	--	

At December 31, 2007, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$	4,473,493
Undistributed Long-Term Gain		3,221,608
Unrealized Appreciation		314,528,526

Total		\$322,223,627
		=====

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

The aggregate cost of purchases and proceeds from sales of investments, other than short-term obligations, for the year

30

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

ended December 31, 2007, were \$203,828,086 and \$154,479,357, respectively.

The following information summarizes all distributions declared by the Fund during the year ended December 31, 2007.

Distribution	Record Date	Payable Date	Amount
-----	-----	-----	-----
Long-Term Capital Gains	05/17/07	05/29/07	\$0.52700
Short-Term Capital Gains	12/17/07	01/29/08	\$0.26100
Long-Term Capital Gains	12/17/07	01/29/08	\$1.16200

Total Distributions			\$1.95000
			=====

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

NOTE 6--STOCK REPURCHASE PROGRAM

Pursuant to authorization by the Board, the Fund began open market purchases of its common stock on the New York Stock Exchange ("NYSE") in 1999 and has continued purchases in each subsequent year. The principal purpose of the stock repurchase program is to enhance stockholder value by increasing the Fund's net asset value per share without creating a meaningful adverse effect upon the Fund's expense ratio. The Board had authorized the Fund to repurchase up to 500,000 shares during 2007. During the year ended December 31, 2007, the Fund repurchased and retired 390,600 shares at an average price of \$17.42 per share (including brokerage commissions) and a weighted average discount of 13.05%. These repurchases, which had a total cost of \$6,803,424, resulted in an increase of \$1,053,757 to the Fund's net asset value. This gain is the result of the difference between the Fund's net asset value and the activity price of the buyback.

NOTE 7--LINE OF CREDIT

On December 13, 2006, the Fund entered into a line of credit arrangement with the custodian to be used for temporary purposes. The initial agreement expired on December 13, 2007 and, based on the Fund's request, was renewed until December 13, 2008. The agreement provides that the Fund may borrow up to an aggregate amount not to exceed \$45,000,000 at any one time outstanding. The Fund pays interest on the unpaid principal amount of each advance made to it from the day of such advance until such principal amount is paid in full. The interest is payable in arrears on demand, or if no demand has been made, on the last day of the interest period for such advance, pursuant to the agreement.

As of December 31, 2007, the Fund had no loans outstanding under the line of credit. During the year ended December 31, 2007 the average borrowing was 17.2 million (Swiss Francs) and the average interest rate was 3.25%.

NOTE 8--WRITTEN OPTION TRANSACTIONS

Transactions in options written during the year ended December 31, 2007 were as follows:

	Calls	

	Number of	
	Contracts	Premiums
	-----	-----
Outstanding, December 31, 2006	--	\$ --
Options written	125,668	209,750
Options terminated in closing transactions	125,668	209,750
Options exercised	--	--
Options expired	--	--
	-----	-----
Outstanding, December 31, 2007	--	\$ --
	-----	-----

NOTE 9--RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Effective June 29, 2007, the Fund implemented Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes -- an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity, including investment companies, before being measured and recognized in the financial statements. Management has evaluated the application of FIN 48 to the Fund, and has determined that the adoption of

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

FIN 48 does not have a material impact on the Fund's financial statements. The Fund files U.S. federal, Delaware state and foreign tax returns. No income tax returns are currently under examination. The Fund's U.S. federal tax returns remain open for examination for the years ended December 31, 2004 through December 31, 2007. The Fund's Delaware state tax returns remain open for examination for the years ended December 31, 2003 through December 31, 2007. In addition, the Fund holds investments in Switzerland and other foreign tax jurisdictions that remain open subject to examination based on varying statutes of limitations.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS")

31

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (concluded)

157, Fair Value Measurements, which clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. Adoption of SFAS 157 requires the use of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Although still in the process of evaluating the impact, if any, upon adoption of the standard, management believes there will be no material impact other than enhanced disclosures.

NOTE 10--PRIVATE EQUITY COMMITMENTS

As of December 31, 2007, the Fund invested in private equity funds. The Fund's investments are summarized in the Schedule of Investments. The Fund made capital commitments to private equity funds of \$5,211,324 (5,900,000 Swiss Francs), with \$4,199,696 (4,754,686 Swiss Francs) outstanding at December 31, 2007, and \$2,193,079 (1,500,000 Euro), with \$1,973,771 (1,350,000 Euro) outstanding at December 31, 2007.

32

THE SWISS HELVETIA FUND, INC.

Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying statement of assets and liabilities of The Swiss Helvetia Fund, Inc. (the "Fund"), including the schedule of investments, as of December 31, 2007, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five

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

years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits 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 and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2007, by correspondence with the custodian and portfolio fund managers of the private equity investments. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2007, 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.

DELOITTE & TOUCHE LLP
Philadelphia, Pennsylvania
February 25, 2008

33

THE SWISS HELVETIA FUND, INC.

Additional Information (Unaudited)

This report is sent to the stockholders of The Swiss Helvetia Fund, Inc. 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 1-888-SWISS-00 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 1-888-SWISS-00 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

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

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

Certifications

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

Code of Ethics

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

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

Portfolio managers and other individuals with knowledge of Fund investment activities are prohibited from purchasing or selling a security during a blackout period of 30 calendar days before and after the date on which the Fund effects a trade in the same or a similar security. They are also prohibited from engaging in short term trading of Swiss equity or equity linked securities.

34

THE SWISS HELVETIA FUND, INC.

Additional Information (Unaudited) (continued)

Additionally, the Fund's portfolio managers are prohibited from participating in any initial public offering or private placement of Swiss equity and equity linked securities and other covered individuals must obtain prior clearance before doing so.

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

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

Distributions

The Fund elected to pass through \$0.03800 per share to its stockholders as a credit for taxes paid to Switzerland during its fiscal year ended December 31, 2007.

The Fund designates 57.61% 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 Fund also designates 73.24% as qualified short-term capital gain dividends exempt from U.S. tax for foreign shareholders (QSD).

Tax Information For the Year Ended December 31, 2007

The amounts may differ from those elsewhere in this report because of differences 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 \$12,857,564 in connection with the distribution paid May 29, 2007 to stockholders of record on May 17, 2007, and \$37,365,977 in connection with the distribution to be paid January 29, 2008 to stockholders of record on December 17, 2007.

35

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

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

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

36

THE SWISS HELVETIA FUND, INC.

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.

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.

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

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.

37

A SWISS INVESTMENTS FUND

THE SWISS HELVETIA FUND, INC.

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

THE SWISS

HELVETIA

FUND, INC.

www.swz.com

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

ANNUAL REPORT
FOR THE
YEAR ENDED
DECEMBER 31, 2007

ITEM 2. CODE OF ETHICS

As of the end of the period covered by this report, the Registrant has adopted a code of ethics, as defined in Item 2 of Form N-CSR, that applies to its principal executive officer and senior financial officer. A copy of the code of ethics is filed as an exhibit to this Form N-CSR.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Registrant's Board of Directors (the "Board") has determined that Messrs. Paul R. Brenner, Esq., Didier Pineau-Valencienne and Stephen K. West, Esq., each a member of the Audit Committee of the Board, are audit committee financial experts as defined by the Securities and Exchange Commission (the "SEC"). Messrs. Brenner, Pineau-Valencienne and West each are "independent" as defined by the SEC for purposes of audit committee financial expert determinations.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES

(a) The aggregate fees billed for each of the last two fiscal years (the "Reporting Periods") for professional services rendered by the Registrant's principal accountant for the audit of the Registrant's annual financial statements, or services that are normally provided by the principal accountant in connection with the statutory and regulatory filings or engagements for the Reporting Periods, were \$40,750 in 2006 and \$52,656 in 2007.

(b) There were no audit-related fees billed to the Registrant in the Reporting Periods for assurance and related services rendered by the principal accountant that were reasonably related to the performance of the audit of the Registrant's financial statements and are not reported under paragraph (a) of this Item 4.

There were no fees billed in the Reporting Periods for assurance and related services rendered by the principal accountant to the Registrant's investment adviser and any entity controlling, controlled by or under common control with the investment adviser that provides ongoing services to the Registrant (collectively the "investment adviser") which were required to be pre-approved by the audit committee as described in paragraph (e)(1) of this Item 4.

(c) The aggregate fees billed in the Reporting Periods for professional services rendered by the principal accountant to the Registrant for tax compliance, tax advice and tax planning ("Tax Services") were \$4,400 in 2006 and \$4,625 in 2007. These services consisted of review or preparation of U.S. federal, state, local and excise tax returns.

(d) There were no other fees billed in the Reporting Periods for products and services provided by the principal accountant to the Registrant, other than the services reported in paragraphs (a) through (c) of this Item.

(e) (1) The Registrant's Audit Committee pre-approves the principal accountant's engagements for audit and non-audit services to the Registrant, and certain

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

non-audit services to the investment adviser that are required to be pre-approved on a case-by-case basis. Pre-approval considerations include whether the proposed services are compatible with maintaining the principal accountant's independence.

(e) (2) No services included in (b) - (d) above were approved pursuant to paragraph (c) (7) (i) (C) of Rule 2-01 of Regulation S-X.

(f) None.

(g) The aggregate non-audit services billed by the principal accountant for services rendered to the Registrant in the reporting periods were \$4,400 in 2006 and \$4,625 in 2007. There were no fees billed in each of the Reporting Periods for non-audit services rendered by the principal accountant to the investment adviser.

(h) The Registrant's Audit Committee considers whether the provision of any non-audit services rendered to the investment adviser not pre-approved (not requiring pre-approval) by the Audit Committee is compatible with maintaining the principal accountant's independence.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The Registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a) (58) (A) of the Securities Exchange Act of 1934. It is composed of the following Directors, each of who is not an "interested person" as defined in the Investment Company Act of 1940:

Paul R. Brenner, Esq.
R. Clark Hooper
Michael Kraynak, Jr.
Didier Pineau-Valencienne
Stephen K. West, Esq.

ITEM 6. SCHEDULE OF INVESTMENTS

Not Applicable.

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

The Registrant has delegated voting of proxies in respect of portfolio holdings to its investment adviser, Hottinger Capital Corp. (the "Advisor"), to vote the Registrant's proxies in accordance with Advisor's proxy voting guidelines and procedures. The Advisor has adopted proxy voting guidelines (the "Voting Guidelines") that provide as follows:

- . The Advisor votes proxies in respect of a client's securities in the client's best economic interests and without regard to the interests of the Advisor or any other client of the Advisor.
- . Unless the Advisor's Proxy Voting Committee (the "Committee") otherwise determines (and documents the basis for its decision) or as otherwise provided below, the Advisor votes proxies in a manner consistent with the Voting Guidelines.
- . To avoid material conflicts of interest, the Advisor applies the Voting Guidelines in an objective and consistent manner across client accounts. Where a material conflict of interest has been identified

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

and the matter is covered by the Voting Guidelines, the Committee votes in accordance with the Voting Guidelines. Where a conflict of interest has been identified and the matter is not covered by the Voting Guidelines, the Advisor will disclose the conflict and the Committee's determination of the manner in which to vote to the Registrant's Audit Committee.

- . The Advisor also may determine not to vote proxies in respect of securities of any issuer if it determines that it would be in the client's overall best interests not to vote.

The Advisor's Voting Guidelines address how it will vote proxies on particular types of matters such as the election for directors, adoption of option plans and anti-takeover proposals. For example, the Advisor generally will:

- . support management in most elections for directors, unless the board gives evidence of acting contrary to the best economic interests of shareholders;
- . support option plans, if it believes that they provide for their administration by disinterested parties and provide incentive to directors, managers and other employees by aligning their economic interests with those of the shareholders while limiting the transfer of wealth out of the company; and
- . oppose anti-takeover proposals unless they are structured in such a way that they give shareholders the ultimate decision on any proposal or offer.

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

PRINCIPAL PORTFOLIO MANAGERS

As of the date of the filing of this Report on Form N-CSR, Messrs. Philippe Comby and Rudolf Millisits are primarily responsible for the management of the Registrant's portfolio.

Mr. Comby has been a portfolio manager of the Registrant since 1999, when he joined the Advisor. Mr. Comby is a Vice President of the Registrant and a Director and Senior Vice President of the Advisor. He also is a Director and the President of Hottinger U.S., Inc. and the Chief Investment Officer and Senior Vice President of Hottinger Brothers LLC, each of which is a registered investment adviser affiliated with the Advisor. Mr. Comby has been affiliated with the Hottinger Group since 1994, providing portfolio management and client advisory services. He is a member of the New York Society of Security Analysts, a member of Global Association of Risk Professionals and a Chartered Financial Analyst.

Mr. Millisits has been a portfolio manager of the Registrant since 1994, when he joined the Advisor. Mr. Millisits is the Senior Vice President and Chief Financial Officer of the Registrant and the Chief Operating Officer, Executive Vice President and Chief Compliance Officer of the Advisor. He also is the Chairman and Chief Executive Officer of Hottinger U.S., Inc. and the President and Chief Financial Officer of Hottinger Brothers, LLC. Mr. Millisits has been affiliated with the Hottinger Group since 1993, providing portfolio management and private banking services. Prior to joining the Hottinger Group, Mr. Millisits was a portfolio manager for private clients for Credit Suisse in New York and Geneva.

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

PORTFOLIO MANAGEMENT

The Registrant's portfolio managers manage multiple accounts for a diverse client base, including private clients and institutions.

Material Conflicts Related to Management of Similar Accounts. The

 potential for conflicts of interest exist when the Advisor or its affiliates and the portfolio managers manage other accounts that invest in securities in which the Registrant may invest or that may pursue a strategy similar to the Registrant's strategy (collectively, "Similar Accounts"). In addition, the Registrant, as a registered investment company, is subject to different regulations than certain of the Similar Accounts, and, consequently, may not be permitted to engage in all the investment techniques or transactions, or to engage in such techniques or transactions to the same degree, as the Similar Accounts.

Potential conflicts of interest may arise because of a portfolio manager's management of the Registrant and Similar Accounts. For example, conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of limited investment opportunities, as the portfolio manager may be perceived as causing accounts he manages to participate in an offering to increase his overall allocation of securities in that offering, or to increase his ability to participate in future offerings by the same underwriter or issuer. Allocations of bunched trades, particularly trade orders that were only partially filled due to limited availability, and allocation of investment opportunities generally, could raise a potential conflict of interest, as the portfolio manager may have an incentive to allocate securities that are expected to increase in value to preferred accounts. Initial public offerings, in particular, are frequently of very limited availability. Additionally, the Registrant's portfolio managers may be perceived to have a conflict of interest because of the number of Similar Accounts, in addition to the Registrant, that they are managing. In addition, the Advisor could be viewed as having a conflict of interest to the extent that the Advisor or its affiliates and/or the portfolio managers have a materially larger investment in a Similar Account than their investment in the Registrant.

A potential conflict of interest may be perceived to arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by the other account, or when a sale in one account lowers the sale price received in a sale by a second account.

Other Accounts Managed by the Portfolio Managers. The chart below

 includes information regarding the Registrant's portfolio managers, as of December 31, 2007. Specifically, it shows the number of other portfolios and assets, including the Registrant, managed by the Registrant's portfolio managers. Neither portfolio manager manages any accounts with respect to which the advisory fee is based on this performance of the account.

PORTFOLIO MANAGER	REGISTERED INVESTMENT COMPANIES (\$)	OTHER POOLED INVESTMENT VEHICLES (\$)	OTHER ACCOUNTS (\$)
-----	-----	-----	-----
Philippe Comby	1 (622 million)	0	23 (74.3 million)
Rudolf Millisits	1 (622 million)	0	23 (74.3 million)

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

COMPENSATION FOR THE PORTFOLIO MANAGERS

The portfolio managers are generally responsible for managing multiple types of accounts that may, or may not, invest in securities in which the Registrant may invest or pursue a strategy similar to one of the Registrant's strategies.

During the fiscal period covered by this Report on Form N-CSR, the Registrant's portfolio managers were compensated by a competitive salary and bonus structure, which was determined both quantitatively and qualitatively. Salary and bonus are paid in cash. The portfolio managers are compensated on the performance of the aggregate group of portfolios they manage rather than for a specific fund or account. Various factors are considered in the determination of the portfolio managers' compensation. All of the portfolios managed by the portfolio managers are comprehensively evaluated to determine each portfolio manager's positive and consistent performance contribution over time. Further factors include the amount of assets in the portfolios as well as qualitative aspects that reinforce the Advisor's investment philosophy.

Total compensation is generally not fixed, but rather is based on the following factors: (i) leadership and commitment, (ii) maintenance of current knowledge and opinions on companies owned in the portfolio; (iii) generation and development of new investment ideas, including the quality of security analysis and identification of appreciation catalysts; (iv) ability and willingness to develop and share ideas; and (v) the performance results of the portfolios managed by the portfolio managers.

Variable bonus is based on the portfolio managers' quantitative performance as measured by their ability to make investment decisions that contribute to the pre-tax absolute and relative returns of the accounts managed by the portfolio manager, by comparison to predetermined benchmarks (for the Registrant, the Swiss Market Index and the Swiss Performance Index) over the current fiscal year and the longer-term performance (3-, 5- or 10-year, if applicable), as well as performance relative to peers. The portfolio managers' bonuses also can be influenced by subjective measurement of the managers' ability to help others make investment decisions.

OWNERSHIP OF SECURITIES OF THE REGISTRANT

As of December 31, 2007, Mr. Comby and Mr. Millisits owned between \$50,001-\$100,000 and over \$100,000 of shares of common stock of the Registrant, respectively.

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

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Ma Number Approx Dollar Va Shares t Yet Be Pu Under the Progrn
-----	-----	-----	-----	-----

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

01/01/07 - 01/31/07				500,
02/01/07 - 02/28/07				500,
03/01/07 - 03/31/07				500,
04/01/07 - 04/30/07				500,
05/01/07 - 05/31/07				500,
06/01/07 - 06/30/07				500,
07/01/07 - 07/31/07				500,
08/01/07 - 08/31/07	190,200	17.0036	190,200	309,
09/01/07 - 09/30/07	149,300	17.7641	149,300	160,
10/01/07 - 10/31/07	51,100	18.3234	51,100	109,
11/01/07 - 11/30/07				109,
12/01/07 - 12/31/07				109,
	-----	-----	-----	-----
Total	390,600	17.6970	390,600	109,
	=====	=====	=====	=====

At the December 6, 2007 meeting of the Board, the Board approved the purchase of up to 500,000 shares of the Fund by the Advisor during 2008. The approved purchase plan, announced to the public in a press release on December 6, 2007, expires on December 31, 2008. The Fund does not intend to terminate the plan prior to its expiration.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS No material changes to procedures.

ITEM 11. CONTROLS AND PROCEDURES

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

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

ITEM 12. EXHIBITS.

(a) (1) A copy of the Code of Ethics (Exhibit filed herewith).

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

(a) (3) Not Applicable.

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

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

SIGNATURES

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

Registrant THE SWISS HELVETIA FUND, INC.

By /s/ Rodolphe E. Hottinger

Rodolphe E. Hottinger, Chief Executive Officer

Date 3/6/08

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

By /s/ Rodolphe E. Hottinger

Rodolphe E. Hottinger, Chief Executive Officer

Date 3/6/08

By /s/ Rudolf Millisits

Rudolf Millisits, Chief Financial Officer

Date 3/6/08
