

SWISS HELVETIA FUND, INC.

Form N-30B-2

November 29, 2006

THE SWISS HELVETIA FUND, INC.

Directors and Officers

| | |
|--|--|
| Samuel B. Witt III, Esq. CHAIRMAN (NON-EXECUTIVE) | Baron Hottinger DIRECTOR EMERITUS |
| Eric R. Gabus/1/ VICE CHAIRMAN (NON- EXECUTIVE) | Rodolphe E. Hottinger PRESIDENT |
| Jean-Marc Boillat DIRECTOR | CHIEF EXECUTIVE OFFICER |
| Paul R. Brenner, Esq./3/ DIRECTOR | Rudolf Millisits SENIOR VICE PRESIDENT |
| Alexandre de Takacsy DIRECTOR | CHIEF FINANCIAL OFFICER |
| Claude Frey DIRECTOR | Philippe R. Comby, CFA, FRM |
| Paul Hottinguer DIRECTOR | VICE PRESIDENT |
| Michael Kraynak, Jr./2/ DIRECTOR | Edward J. Veilleux VICE PRESIDENT |
| Didier Pineau-Valencienne/2/ DIRECTOR | SECRETARY |
| Stephen K. West, Esq./2/ DIRECTOR | Scot E. Draeger ASSISTANT SECRETARY |
| | Frederick Skillin ASSISTANT TREASURER |
| | Jean L. Seidel ASSISTANT TREASURER |
| | Peter R. Guarino, Esq. CHIEF COMPLIANCE OFFICER |

/1/GOVERNANCE/NOMINATING
COMMITTEE CHAIRMAN

/2/AUDIT COMMITTEE MEMBER
/3/AUDIT COMMITTEE CHAIRMAN

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

ADMINISTRATOR
Citigroup Fund Services, LLC

CUSTODIAN
Swiss American Securities Inc.

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

LEGAL COUNSEL
Stroock & Stroock & Lavan LLP

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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
(212) 332-2760

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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.

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THE SWISS HELVETIA FUND, INC.

Letter to Stockholders

GLOBAL OVERVIEW

A defining moment for the world equity markets during the past quarter was the Federal Reserve Board's June 29/th/ decision to put interest rate increases on hold. After having sounded the inflation alarm, the Fed's course change was based on its data dependent anticipation of a slowdown in the economy. This stance was confirmed at the Fed's August 8/th/ and September 20/th/ meetings. This change created conditions for lower volatility and recovery of stock markets across the globe. As a result of this change, the interest rate on ten

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year Treasury bonds dropped from 5.2% to 4.6% during the quarter.

The Chinese economy continued to grow strongly with a real GDP increase above 10%. But inflation, as measured by consumer prices, remained contained at well below 3%. In the emerging markets, current account balances continued to be strongly positive, foreign currency reserves continued to increase and public sector debt continued to decline. The much discussed "glut of savings" situation continued to keep downward pressure on the government bond yields of the developed markets and probably played a large role in preventing the May sell-off in the equity markets from getting out-of-hand.

On the currency front, the dollar strengthened despite the lack of Fed action. As we discussed in our last report, we believe that one explanation was repatriation of some money to the US markets due to the threat of a world economic slowdown.

SWISS MARKET CORPORATE NEWS

Swiss Steel announced on August 28/th/ 2006 that its majority owner Schmolz + Bickenbach of Germany will contribute some of its assets to the company, increasing its turnover to 5 billion Swiss francs. In addition, Swiss Steel will be renamed Schmolz + Bickenbach.

In Swiss exchange news at the end of September, Swiss Life Holding was promoted from the Swiss Performance Index's ("SPI") mid cap index basket to its large cap index basket.

SWISS ECONOMIC NOTES

The purchasing managers' index (PMI), the composite index of leading indicators and the sentiment among companies and private households are all at their highest level in years. After years of slower growth, the Swiss economy has caught up, and with the benefit of a more expansionary monetary policy than the rest of Europe and is experiencing a sharper upswing than its neighbors. The differential in growth should benefit the Swiss franc and bring a halt to its recent depreciation against the euro. Economists expect real GDP growth of 3% for 2006. Exports are surging and industrial capacity utilization has reached its highest level since 1991. For those reasons, the Swiss National Bank increased the 3-month Libor target rate by 25 basis points to 1.25%-2.25% on September 14/th/ with the intention to hold the rate in the middle of the range "for the time being."

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THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

SWISS MARKET REVIEW AND FUND PERFORMANCE

The Swiss market experienced a strong recovery during the quarter with a change in leadership from the small capitalization companies to the large capitalization companies. The SPI reached an all-time high at the end of September on the back of strong half-year results and lower interest rates on the long end of the yield curve. The market, despite its recent advance pushing its valuation slightly higher than the average of this cycle (2001-2006), has retained the same level of risk premium thanks to lower bond yields. The food, insurance, retail, luxury goods and technology sectors have outperformed during the quarter. The notable laggards were the energy and basic materials sectors.

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The Swiss Helvetia Fund recovered slightly less than the SPI from the lows of June. The Fund suffered somewhat from its lower exposure to the large capitalization stocks, which were the first to rebound, and from its higher than usual cash position. The Fund did not benefit from its higher exposure to energy stocks (utilities), as they are still in a consolidation mode, and from its low exposure to industrial stocks, as they proved to be very resilient in the last part of the quarter. Nonetheless, Management remains comfortable with its overall stock selection, as illustrated in the mid cap health care space, where volatility is not generated by macro factors, such as the economic cycle, but by specific company related factors, and has started to reinvest some of the cash. Overall, the Fund's stock selection has led to a lower than market volatility despite the Fund's higher exposure to small and mid cap stocks.

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THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (continued)

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

| | TOTAL RETURN | TOTAL RETURN AS OF YEAR ENDED DECEMBER 31, | | | | | | | |
|--|----------------------|--|-------|--------|---------|---------|--------|--------|--------|
| | YTD AS OF 9/30/06 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| SWISS HELVETIA FUND | 13.44% | 33.20% | 7.75% | 22.54% | -20.40% | -22.91% | 14.06% | 14.70% | 15.57% |
| Swiss Performance Index (SPI) | 14.37% | 35.61% | 6.89% | 22.06% | -25.95% | -22.03% | 11.91% | 11.69% | 15.36% |
| Swiss Market Index (SMI) | 11.10% | 33.21% | 3.74% | 18.51% | -27.84% | -21.11% | 7.47% | 5.71% | 14.28% |
| iShares MSCI Switzerland/2/ (Formerly called Webs Switzerland) | 12.94% | 33.21% | 3.74% | 18.51% | -27.84% | -21.11% | 7.47% | 5.71% | 14.28% |
| CS EF Swiss Blue Chips/3,7/ | 12.03% | 32.27% | 2.75% | 18.13% | -28.75% | -22.12% | 10.97% | 7.57% | 14.21% |
| UBS (CH) Equity Fund/4,7/ Pictet (CH) - Swiss Equities/5,7/ | 13.52% | 33.50% | 5.00% | 18.14% | -26.02% | -22.04% | 7.42% | 6.43% | 12.75% |
| Saraswiss (Bank Sarasin)/6,7/ | 11.16% | 37.06% | 7.05% | 20.10% | -27.93% | -22.35% | 7.34% | 9.38% | 11.05% |
| | 12.65% | 33.05% | 2.93% | 19.64% | -28.51% | -24.45% | 9.72% | 7.10% | 14.41% |

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

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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: 12/31/96 = 1.35, 12/31/97 = 1.46, 12/31/98 = 1.38, 12/31/99 = 1.60, 12/31/00 = 1.61, 12/31/01 = 1.67, 12/31/02 = 1.39, 12/31/03 = 1.24, 12/31/04 = 1.14, 12/31/05 = 1.32, AND 9/30/06 = 1.25.

/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 THE 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.

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THE SWISS HELVETIA FUND, INC.

 Letter to Stockholders (continued)

| | YEAR TO DATE DECEMBER 31, 2005 THROUGH SEPTEMBER 30, 2006 |
|---|--|
| ----- | |
| PERFORMANCE IN SWISS FRANCS | |
| Swiss Performance Index (SPI) | 14.37% |
| Swiss Helvetia Fund | |
| Based on Net Asset Value | 13.44% |
| CHANGE IN U. S. DOLLAR VS. SWISS FRANC | -4.86% |
| PERFORMANCE IN U.S. DOLLARS | |
| SWISS HELVETIA FUND PERFORMANCE | |
| Based on Net Asset Value | 19.23% |
| Based on Market Price | 25.17% |
| S & P 500 Index | 8.53% |
| MSCI EAFE Index | 14.49% |
| Lipper European Fund Index (10 Largest) | 18.61% |
| Lipper European Fund Universe Average | 18.91% |

SOURCES: CITIGROUP FUND SERVICES, LLC AND BLOOMBERG

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OUTLOOK / STRATEGY

European stock markets are less liquidity driven than the US market because the interest rate cycle is currently more favorable in the US. The Fed's next move is expected to be an interest rate cut while the European Central Bank's next move is expected to be an increase. In that context the overseas markets could under-perform. However, it is not obvious that this will translate into a worse performance once currency effects are taken into account. Based on valuation, interest rate direction, and macro economic conditions, a consolidation move after the strong advance during the summer is possible across the globe. On the other hand, it is difficult to see a trigger for a substantial market correction aside from an external geo-political event. Even if the US economy slows down to a near halt on the back of the housing market's impact on consumer spending, capital markets should be supported by the abundant global savings and the economic momentum outside of the United States.

The strategy of the Fund's Management will continue to be to build up positions in long term, sustainable growth investment cases and to try to identify undervalued franchises while looking at add-ons, such as covered call writing strategies, in order to generate additional income, especially if analysis shows a tendency for the market to enter a sideways pattern.

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 has authorized the Fund to repurchase up to 1,000,000 shares during 2006. During the period ended September 30, 2006, the Fund repurchased and retired 430,800 shares at an average price of \$17.53 per share (including brokerage commissions) and a weighted average discount of 10.25%. These

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THE SWISS HELVETIA FUND, INC.

Letter to Stockholders (concluded)

repurchases, which had a total cost of \$7,550,175, resulted in an increase of \$843,650 to the Fund's net asset value.

Sincerely,

/s/ Rodolphe Hottinger

Rodolphe E. Hottinger
PRESIDENT AND CHIEF EXECUTIVE OFFICER

/s/ Rudolf Millisits

Rudolf Millisits
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

September 30, 2006

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) September 30, 2006

| No. of Shares | Security | Value | Percent of Net Assets |
|--------------------------|---|--------------|-----------------------------|
| ----- | | | |
| COMMON STOCKS -- 96.76% | | | |
| BANKS -- 15.61% | | | |
| 530 | BANK SARASIN & CIE AG REGISTERED SHARES Offers private banking, asset management, investment advisory, and institutional banking services. (Cost \$1,184,730) | \$ 1,559,632 | 0.31% |
| 428,000 | CREDIT SUISSE GROUP/2/ REGISTERED SHARES A global diversified financial service company with large activity in private banking, investment banking, asset management and insurance service. (Cost \$14,071,733) | 24,694,605 | 4.93% |
| 870,000 | UBS AG/2/ REGISTERED SHARES A global diversified financial service company with large activity in private banking, investment banking, and asset management. (Cost \$7,403,841) | 51,896,806 | 10.37% |
| | | ----- | ----- |
| | | 78,151,043 | 15.61% |
| BASIC RESOURCES -- 2.66% | | | |
| 101,136 | 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 \$9,076,879) | 7,258,854 | 1.45% |

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| No. of Shares | Security | Value | Percent of Net Assets |
|--------------------------------|--|--------------|-----------------------------|
| ----- | | | |
| BASIC RESOURCES -- (CONTINUED) | | | |
| 103,960 | SCHMOLZ AND BICKENBACH AG REGISTERED SHARES Manufactures industrial and construction steel. (Cost \$3,313,494) | \$ 6,039,703 | 1.21% |
| | | ----- | ----- |
| | | 13,298,557 | 2.66% |
| BIOTECHNOLOGY -- 6.56% | | | |
| 40,731 | ACTELION LTD./1/ REGISTERED SHARES Biotechnology company that develops and markets synthetic small-molecule drugs against diseases related to the endothelium. (Cost \$4,035,704) | 5,827,299 | 1.16% |
| 126,200 | BASILEA PHARMACEUTICA/1,2/ REGISTERED SHARES Conducts research into the development of drugs for the treatment of infectious diseases and dermatological problems. (Cost \$16,683,171) | 19,927,110 | 3.98% |
| 48,453 | SPEEDEL HOLDING AG/1/ REGISTERED SHARES Researches and develops therapies for cardiovascular and metabolic diseases (Cost \$6,068,480) | 7,086,630 | 1.42% |
| | | ----- | ----- |
| | | 32,841,039 | 6.56% |
| CHEMICALS -- 3.59% | | | |
| 5,220 | SIKA AG BEARER SHARES Leading producer of construction chemicals. (Cost \$2,806,198) | 6,556,483 | 1.31% |

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited) September 30, 2006
(continued)

| No. of Shares | Security | Value | Percent of Net Assets |
|------------------------------|---|---------------|-----------------------------|
| COMMON STOCKS -- (CONTINUED) | | | |
| CHEMICALS -- (CONTINUED) | | | |
| 75,931 | SYNGENTA AG REGISTERED SHARES Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost \$4,167,564) | \$ 11,420,381 | 2.28% |
| | | ----- | ----- |
| | | 17,976,864 | 3.59% |
| FINANCIAL SERVICES -- 2.43% | | | |
| 50,000 | EFG INTERNATIONAL/1/ REGISTERED SHARES Holding company of EFG Bank. The Bank offers private banking and asset management services. (Cost \$1,565,336) | 1,638,821 | 0.33% |
| 84,600 | JULIUS BAER HOLDING AG REGISTERED SHARES Offers private banking, institutional asset management, mutual fund, securities brokerage, and corporate finance services. (Cost \$7,769,430) | 8,426,604 | 1.68% |
| 30,227 | OZ HOLDING AG BEARER SHARES Provides brokerage and banking services, specializing in futures and options. (Cost \$2,263,780) | 2,091,147 | 0.42% |
| | | ----- | ----- |
| | | 12,156,572 | 2.43% |
| FOOD & BEVERAGES -- 14.70% | | | |
| 340 | LINDT & SPRUNGLI AG REGISTERED SHARES Major manufacturer of premium Swiss chocolates. (Cost \$1,977,813) | 8,080,067 | 1.61% |

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| No. of Shares | Security | Value | Percent of Net Assets |
|--------------------------------------|--|--------------|-----------------------------|
| FOOD & BEVERAGES -- (CONTINUED) | | | |
| 188,500 | NESTLE SA/2/ REGISTERED SHARES Largest food and beverage processing company in the world. (Cost \$11,110,815) | \$65,541,688 | 13.09% |
| | | ----- | ----- |
| | | 73,621,755 | 14.70% |
| INDUSTRIAL GOODS & SERVICES -- 5.21% | | | |
| 467,457 | ABB LTD. REGISTERED SHARES The holding company for ABB Group which is one of the largest electrical engineering firms in the world. (Cost \$3,109,639) | 6,132,356 | 1.23% |
| 232,000 | ADECCO SA REGISTERED SHARES Leading personnel and temporary employment company. (Cost \$12,120,878) | 13,959,408 | 2.79% |
| 1,141 | BELIMO HOLDING AG REGISTERED SHARES World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$231,391) | 918,114 | 0.18% |
| 8,440 | 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 \$762,355) | 1,117,301 | 0.22% |

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Schedule of Investments (Unaudited) September 30, 2006
(continued)

| No. of Shares | Security | Value | Percent of Net Assets |
|--|--|--------------|-----------------------------|
| ----- | | | |
| COMMON STOCKS -- (CONTINUED) | | | |
| INDUSTRIAL GOODS & SERVICES -- (CONTINUED) | | | |
| 4,946 | SULZER AG REGISTERED SHARES Manufactures and sells surface coatings, pumps, and process engineering equipment. (Cost \$1,609,155) | \$ 3,930,531 | 0.79% |
| | | ----- | ---- |
| | | 26,057,710 | 5.21% |
| INSURANCE -- 7.64% | | | |
| 103,000 | SWISS LIFE HOLDING/2/ REGISTERED SHARES Offers financial services including life and property insurance, institutional investment management, and private banking services. (Cost \$19,830,574) | 24,026,078 | 4.80% |
| 58,000 | ZURICH FINANCIAL SERVICES AG/2/ REGISTERED SHARES Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost \$9,705,686) | 14,211,492 | 2.84% |
| | | ----- | ---- |
| | | 38,237,570 | 7.64% |
| MEDICAL TECHNOLOGY -- 0.41% | | | |
| 32,205 | PHONAK HOLDING AG REGISTERED SHARES Designs and produces analog and digital hearing aids. (Cost \$1,100,139) | 2,031,513 | 0.41% |
| | | ----- | ---- |
| | | 2,031,513 | 0.41% |
| ----- | | | |
| No. of Shares | Security | Value | Percent of Net Assets |

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PERSONAL & HOUSEHOLD GOODS -- 1.21%

| | | | |
|---------|--|--------------|-------|
| 100,084 | COMPAGNIE FINANCIERE RICHEMONT AG, CLASS A BEARER SHARES | \$ 4,804,862 | 0.96% |
| | Manufactures and retails luxury goods through subsidiaries. Produces jewelry, watches, leather goods, writing instruments, and mens' and womens' wear. (Cost \$3,328,765) | | |
| 6,367 | SWATCH GROUP AG BEARER SHARES | 1,226,737 | 0.25% |
| | Manufactures finished watches, movements and components. Produces components necessary to its eighteen watch brand companies. Also operates retail boutiques. (Cost \$859,824) | | |
| | | ----- | ----- |
| | | 6,031,599 | 1.21% |

PHARMACEUTICALS -- 26.01%

| | | | |
|-----------|---|-------------|--------|
| 1,076,000 | NOVARTIS AG/2/ REGISTERED SHARES | 62,640,456 | 12.51% |
| | One of the leading manufacturers of branded and generic pharmaceutical products. The company also manufactures nutrition products. (Cost \$12,415,546) | | |
| 392,000 | ROCHE HOLDING AG/2/ DIVIDEND RIGHTS CERTIFICATES | 67,586,746 | 13.50% |
| | Worldwide pharmaceutical company. (Cost \$7,529,739) | | |
| | | ----- | ----- |
| | | 130,227,202 | 26.01% |

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments (Unaudited)
(concluded)

September 30, 2006

Percent

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| No. of Shares | Security | Value | of Net Assets |
|----------------------------------|--|---------------|-----------------------------|
| ----- | | | |
| COMMON STOCKS -- (CONTINUED) | | | |
| RETAILERS -- 5.40% | | | |
| 75,950 | GALENICA HOLDING AG/2/ REGISTERED SHARES Manufactures and distributes prescription and over-the- counter drugs, toiletries and hygiene products. (Cost \$14,745,078) | \$ 19,669,654 | 3.93% |
| 3,600 | JELMOLI HOLDING AG BEARER SHARES Owns and operates department and retail stores and provides mail-order catalog and real estate leasing services. (Cost \$6,678,168) | 7,361,059 | 1.47% |
| | | ----- | ----- |
| | | 27,030,713 | 5.40% |
| TECHNOLOGY -- 0.77% | | | |
| 62,213 | ADVANCED DIGITAL BROADCAST HOLDING/1/ REGISTERED SHARES Develops equipment and systems to view and interact with digital TV broadcast through cable, satellite, and telecommunication networks. (Cost \$4,464,413) | 3,869,862 | 0.77% |
| | | ----- | ----- |
| | | 3,869,862 | 0.77% |
| UTILITY SUPPLIERS -- 4.56% | | | |
| 214,450 | BKW FMB ENERGIE AG/2/ REGISTERED SHARES Produces electricity using nuclear, hydroelectric, solar, biomass and wind energy. (Cost \$11,699,646) | 20,864,389 | 4.17% |
| | | | |
| No. of Shares | Security | Value | Percent of Net Assets |
| ----- | | | |
| UTILITY SUPPLIERS -- (CONTINUED) | | | |
| 7,000 | CENTRALSCHWEIZERISCHE KRAFTWERKE REGISTERED SHARES | \$ 1,928,705 | 0.39% |

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Supplies electric power, operates and maintains distribution network facilities, constructs and installs equipment, and offers consulting services to its clients.
(Cost \$1,161,341)

| | | |
|--|---------------|---------|
| | ----- | ----- |
| | 22,793,094 | 4.56% |
| TOTAL COMMON STOCKS (Cost \$204,851,305)* | \$484,325,093 | 96.76% |
| OTHER ASSETS LESS OTHER LIABILITIES, NET | 16,230,571 | 3.24% |
| | ----- | ----- |
| NET ASSETS | \$500,555,664 | 100.00% |
| | ===== | ===== |

/1/NON-INCOME PRODUCING SECURITY.

/2/ONE OF THE TEN LARGEST PORTFOLIO HOLDINGS.

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

| | |
|-------------------------------|---------------|
| GROSS UNREALIZED APPRECIATION | \$282,058,998 |
| GROSS UNREALIZED DEPRECIATION | (2,585,210) |
| | ----- |
| NET UNREALIZED APPRECIATION | \$279,473,788 |
| | ===== |

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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.

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- . Your shares will be held in an account with the Plan agent. You will be sent regular statements for your records.
- . You may terminate participation in the Plan at any time.

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

How do I enroll in the Plan?

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

How does the Plan work?

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

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

If AST begins to buy Fund shares for your account at a discount to net asset value but, during the course of the purchases, the Fund's market price increases to a level above the net asset value, AST will complete its purchases, even

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THE SWISS HELVETIA FUND, INC.

Dividend Reinvestment Plan (Unaudited) (concluded)

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

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(rounded to three decimal places) necessary to complete the reinvestment.

How can I sell my shares?

You can sell any or all of the shares in your Plan account by contacting AST. AST charges \$15 for the transaction plus \$.10 per share for this service. You can also withdraw your shares from your Plan account and sell them through your broker.

Does participation in the Plan change the tax status of my distributions or dividends?

No. The distributions and dividends are paid in cash and their taxability is the same as if you received the cash. It is only after the payment of distributions and dividends that AST reinvests the cash for your account.

Can I get certificates for the shares in the Plan?

AST will issue certificates for whole shares upon your request. Certificates for fractional shares will not be issued.

Is there any charge to participate in the Plan?

There is no charge to participate in the Plan. You will, however, pay a pro rata share of brokerage commissions incurred with respect to AST's open market purchases of shares for your Plan account.

How can I discontinue my participation in the Plan?

Contact your broker or AST in writing. If your shares are in a Plan account, AST will send you a certificate for your whole shares and a check for any fractional shares.

Where can I direct my questions and correspondence?

Contact your broker, or contact AST as follows:

By mail:

American Stock Transfer & Trust Company
PO Box 922
Wall Street Station
New York, NY 10269-0560

Through the Internet:

www.amstock.com

Through AST's automated voice response System:

1-888-556-0425

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

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QUARTERLY REPORT
FOR THE
PERIOD ENDED SEPTEMBER 30, 2006