

SWISS HELVETIA FUND, INC.
Form N-CSR
March 08, 2019

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.

(Exact name of registrant as specified in charter)

7 Bryant Park,

New York, NY 10018

(Address of principal executive offices) (Zip code)

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Schroder Investment Management North America Inc.

7 Bryant Park,

New York, NY 10018

(Name and Address of Agent for Service)

Registrant's telephone number, including area code: 1-800-730-2932

Date of fiscal year end: December 31

Date of reporting period: December 31, 2018

Item 1. Reports To Stockholders.

The following is a copy of the report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1).

THE SWISS HELVETIA FUND, INC.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission (SEC), paper copies of the Fund's shareholder reports will no longer be sent by U.S. mail, unless you specifically request paper copies of the reports from the Fund or from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on the Fund's website (www.swzfund.com), and you will be notified by U.S. mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other

communications electronically by contacting your financial intermediary.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can follow the instructions included with this disclosure, if applicable, or you can contact your financial intermediary to inform it that you wish to continue receiving paper copies of your shareholder reports. If you invest directly with the Fund, you can inform the Fund that you wish to continue receiving paper copies of your shareholder reports by calling (800)-730-2932 or email swzintermediary@schroders.com. Your election to receive reports in paper will apply to all funds held with your financial intermediary.

THE SWISS HELVETIA FUND, INC.

Managed Distribution Policy Disclosure

In May 2018, The Swiss Helvetia Fund (the "Fund"), acting pursuant to an SEC exemptive order and with the approval of the Fund's Board of Directors (the "Board"), adopted a managed distribution policy. Under that policy, which, as previously announced, has since been suspended until further notice as a result of the Fund's 2018 tender offer and stock dividend, the Fund paid quarterly distributions stated in terms of a fixed amount of \$0.2025 per share of the Fund's common stock, which equates to an annualized distribution rate of 6.00% based on the Fund's net asset value of \$13.50 and 6.59% based on the closing share price of \$12.30 as of May 25, 2018. In accordance with the policy, the Fund distributed \$0.2025 per share on a quarterly basis for the month of June.

You should not draw any conclusions about the Fund's investment performance from the amount of the Fund's distribution or from the terms of the Fund's now suspended managed distribution policy. The Board may amend or terminate the managed distribution policy at any time without prior notice to Fund stockholders, which could have an adverse effect on the market price of the Fund's shares.

With each distribution, the Fund will issue a notice to stockholders and a press release which will provide detailed information regarding the amount and composition of the distribution and other related information. The amounts and sources of distributions reported in the notice to stockholders are only estimates, are likely to change over time, and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes. Please refer to "Federal Income Tax and Investment Transactions" under Note 5 of the Notes to Financial Statements (Unaudited) for information regarding the tax character of the Fund's distributions. A copy of the Fund's Section 19(a) notices is available on the Fund's website at www.swzfund.com.

The Fund's total return in relation to changes in net asset value is presented in the Financial Highlights.

THE SWISS HELVETIA FUND, INC.

Dear Stockholder,

As the newly appointed Chairman of the Board of Directors and recently installed President and CEO of The Swiss Helvetia Fund, Inc., I am grateful for the opportunity to write to you about the Fund's transformative 2018.

At the Fund's annual meeting of stockholders held on June 19, 2018, two new directors, Phillip Goldstein and Gerald Hellerman, were elected to the board. In addition, stockholders approved a proposal recommending that the Fund's board of directors authorize a self-tender offer for at least 50% of the outstanding common stock of the Fund. Soon thereafter, an incumbent director resigned and was replaced by Richard Dayan.

On August 23rd, the newly constituted board, after considering the results of the annual meeting, authorized a self-tender offer for up to 65% of the Fund's outstanding shares at a price per share of 98% of net asset value. Prior to the commencement of the tender offer, the Fund disposed of a significant portion of its portfolio and distributed \$4.91 per share representing substantially all of its realized capital gains to stockholders in the form of cash and stock. The distribution and the subsequent tender offer provided stockholders an opportunity to realize close to full net asset value for almost all of their shares. The board appreciated the assistance of Schroders, the Fund's Investment Adviser, in structuring these transactions.

After the large distribution and self-tender offer, the size of the Fund has been significantly reduced. While this will likely increase the Fund's expense ratio because its fixed regulatory costs will be spread over a smaller base, the new board will continue to monitor expenses with the aim of mitigating this effect.

I have worked closely with several members of the new board for years and have confidence in our ability to shepherd the Fund through this period of transition for the benefit of all stockholders. Detailed comments regarding the Swiss economy and market environment follow in the Management Discussion and Analysis.

On behalf of the board, I thank you for your investment in the Fund.

Sincerely yours,

Andrew Dakos

Chairman

THE SWISS HELVETIA FUND, INC.

Management Discussion and Analysis (as of December 31, 2018)

For the twelve-month period ended December 31, 2018, the performance of The Swiss Helvetia Fund, Inc. (the Fund), as measured by the change in value in the Fund's net asset value (NAV), decreased -6.98% in US dollars (USD). For the same period, the Fund's share price performance decreased -10.90% in USD, as the discount at which the Fund's shares traded widened. This compares with a decrease of -9.59% in the Swiss Performance Index (the Index or SPI) in USD.

Economic environment during the period under review

Global economic review

Continuing its positive trend from 2017, the global macroeconomic environment started 2018 on a strong footing. When the stock markets were shaken by the threat of a US-China trade war, it was not yet clear what the impact on gross domestic product (GDP) would be on both sides. Generally, for the first half of 2018, forecasts of global economic growth rose and corporate profits mostly exceeded expectations. Over the course of the third quarter, growth expectations did not change materially, and it was only in

the fourth quarter that GDP growth expectations receded on concerns about the impact of tariffs and the speed of interest rate hikes by the US Federal Reserve (the Fed).

Market environment during the period under review

Equity markets in the US peaked in September, as compared to Europe and Switzerland which saw their highs much earlier in the year during January. In general, stock market returns were benign during the first nine months of 2018. However, the correction that started in the final quarter of 2018 was one of the worst in history. The SPI fell -9.81% in Q4 which is less than some other comparable developed stock market indices but the impact of Q4 still resulted in a negative calendar year return of -9.59%. Small- and mid-cap stocks underperformed large caps stocks in Switzerland by about -10% in 2018. As can be seen from the breakdown of Index contributions below, the main reason for the outperformance of the SPI compared to other stock indices lies in the heavyweight healthcare sector and the less than average decline in the second largest sector, food & beverage.

THE SWISS HELVETIA FUND, INC.

Source: Schroders, Bloomberg, as of December 31, 2018. Performance measured as total return in USD. Sectors mentioned should not be viewed as a recommendation to buy/sell. Portfolio composition is subject to change over time. Investors cannot invest directly in the Index.

Performance

In comparing the Fund's NAV return of -6.98% to the Index's return of -9.59% in USD, there was a small positive relative performance impact from the Fund's 10 largest overweight positions, in particular *Swiss Life, Logitech, Tecan* and *Sonova*.

Furthermore, the Fund's 10 largest underweight positions, which include *LafargeHolcim, Swiss Re* and *Lonza*, had a similarly positive impact on relative performance. However, negative contributions to relative performance

THE SWISS HELVETIA FUND, INC.

came from overweight positions such as *Aryzta*, *Implenin*, *GAM Holding* and *Julius Baer*. Underweights in pharmaceutical stocks, where the Fund's investments are limited due to industry concentration restrictions, such as *Roche* and *Novartis*, were also a detraction to relative performance.

The Fund's private equity positions as a whole experienced a positive re-valuation, primarily due to *Novimmune*. The company sold the rights of one of its drug candidates and will be compensated in several cash instalments. Additionally, *Aravis* experienced a small positive revision.

Looking at the Fund's NAV and stock performance, there were also positive effects to stated performance from the

Fund's stock dividend, reinvestment, and tender offer, when all these measures are taken together.

Portfolio changes

In total, there were nine purchases and 37 sales of listed equities on a net basis during 2018. The bias towards more sales than purchases is due to the Fund's tender offer, which expired in November. Of the sales, there were 26 reductions and 11 entire disposals. Among the purchases, there was one increase and eight new investments, two of which were in initial public offerings, or IPOs. As of December 31, 2018, there were 35 listed companies held by the Fund and six private equity investments, including one participation in a private equity limited partnership.

THE SWISS HELVETIA FUND, INC.

New Investments by the Fund

ABB
Bucher
Georg Fischer
Oerlikon
Schindler (PC)
Sensirion
SIG Combibloc
Zurich

Additions to Existing Investments

Aryzta

Positions Entirely Disposed of

Autoneum
GAM Holding
Galenica
Helvetia
Landis + Gyr
Lindt & Spruengli (Reg.)
Lonza
Sunrise
Valiant
VAT Group

Zur Rose

Reductions in Existing Investments

Adecco

Airopack

Baloise

Belimo

BKW

Burckhardt Compression

Cembra

Credit Suisse

DKSH

Feintool

Forbo

Implenia

Julius Baer

Kuros

Logitech

Nestlé

Novartis

Richemont

Roche

Tecan

SFS

Sonova

Swatch (Reg.)

Swiss Life

UBS

VZ Holding

THE SWISS HELVETIA FUND, INC.

The Fund established new positions in *ABB*, *Bucher*, *Georg Fischer*, *Oerlikon* and *Schindler*. We consider these to be quality industrial companies that the Fund did not own at the beginning of the year due to valuation concerns but that became attractive in our view after underperforming in 2018.

We also bought a new position in *Zurich*, a well-established Swiss insurance company. Under CEO Mario Greco, we believe the company is on track to deliver on its strategy and generate above average earnings. Therefore, we switched our position in *Helvetia*, another Swiss insurer, into *Zurich*, as we see more cost discipline in the latter.

In addition, the Fund invested in the IPOs of *Sensirion* and *SIG Combibloc*.

Sensirion is a leading developer and producer of environmental and gas flow sensors. We believe *Sensirion*'s products offer superior accuracy and miniaturization features. Additionally, it is our view that the company is well positioned to take advantage of mega trends, such as digitization and industry 4.0, and is expected to be able to grow substantially in the coming years.

SIG Combibloc is a competitor to Tetra Pak in the aseptic packaging market. While market dynamics are supported by mega trends such as urbanization, population growth and rising income levels, we expect

that *SIG Combibloc*'s more flexible technology will lead to market share gains. New geographic market entries should also provide avenues for growth. It is therefore our view that the company is positioned as a solid number 2 behind Tetra Pak and enjoys high margins.

As mentioned before, we sold our position in *Helvetia*. In the case of divesting from *Zur Rose*, we saw competitive pressure rising with potential new entrants and a worsening regulatory environment. We decided to sell *Galenica* after strong performance during the first half of the year, due to valuation concerns. We sold *Autoneum*, as the company suffers from self-made problems in the US and cooling demand in Europe.

We had been a long-term shareholder in *GAM Holding* and had substantial interactions with the company's board of directors over the past years, especially regarding compensation, with positive results in our view. However, in July, *GAM Holding* disappointed with what we felt was a too soon intangible write-down and an ill-explained suspension of the highest revenue generating fund manager. We sold the position after a meeting with the Chairman that did not alleviate our concerns.

Outlook and Investment View

We expect the world economy to continue to grow in 2019, but we see signs that growth may have already peaked in the US, Europe and Asia. The global

THE SWISS HELVETIA FUND, INC.

Purchasing Managers Index (PMI) has eased as export orders slowed and the latest estimates put US GDP growth in the fourth quarter at 2.5% after 3.2% in the third quarter. We expect a gradual slowdown in growth in the US in 2019 and 2020. The emphasis is on the word gradual: we do not see a recession as likely in 2019 (although not inconceivable in 2020) as many of the forces that led to a strong year in the US in 2018 should still be in play. The slowdown, however, means that an end to the cycle of rising interest rates might be in sight. It seems that this view has been gaining traction since the start of 2019. Instead of the previously widely held view that the Fed would raise rates three more times in 2019, it is now more widely expected to pause in its hiking cycle in early 2019. As the economy is likely to slow, the direction of rates in 2020 may also go down. Such a path could deliver a soft rather than hard landing for the economy. Also the European Central Bank (ECB) is expected to moderate its previous policy intentions: the end to its asset purchase program might occur later than previously thought (January 2020) and interest rate hikes now only seem a possibility in the distant future.

Markets started into 2018 with tailwinds, which quickly changed to headwinds and 2018 became a disappointing year as almost all equity markets fell in value due to pressure from rising interest rates, political develop-

ments such as Brexit and the trade dispute between the US and China, among others.

It is easy to be influenced by the pessimism seemingly affecting markets at the turn of the year. We accept that there will probably be further bad news in 2019. However, the important question is whether the pace of negative news will abate or accelerate, as equity markets do not usually take direction from the level of an indicator, but from its rate of change: less bad news could be good for markets. We are however not expecting the economy to fall back into the goldilocks like environment of late 2017 and early 2018. In any case, we are stock-pickers and not economic forecasters, and we are evaluating whether an equity asset is priced attractively or expensively compared to its long-term earnings power and dividend capacity. Due to some significant price corrections in quality industrials, consumer goods and financial companies, we have found that some valuations have become attractive in certain cases. Examples of stocks we added to the portfolio or increased in late 2018, mostly from underweight or zero weight to overweight, are: *Bucher*, *Georg Fischer*, *OC Oerlikon*, *Richemont* and *UBS*. We think expectations have become too negative in these stocks. Earlier in 2018, we also avoided or sold some stocks where buyers expected too much good news, which did not occur and their prices fell sharply, such as *Galenica*, *Zur Rose*, and *VAT*.

THE SWISS HELVETIA FUND, INC.

Compared to 2018, this year seems to have started with low prices and negative sentiment. In our view, chances of at least a positive first half are higher than the risk of a further significant decline. In short,

looking at the Fund's largest overweight positions, its active share and risk parameters, we think that the Fund is well positioned for the current environment.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stock			91.87%
Banks			10.04%
20,000	Cembra Money Bank AG Provides financial services. The company's services include personal loans, vehicle financing, credit cards and savings and insurance services. (Cost \$1,194,524)	\$ 1,579,428	1.49%
238,000	Credit Suisse Group AG¹ A global diversified financial services company with significant activity in private banking, investment banking and asset management. (Cost \$3,029,183)	2,607,425	2.47%
49,900	Julius Baer Group Ltd.¹ Provides private banking services. The company advises on wealth management, financial planning and investments; offers mortgage and other lending, foreign exchange, securities trading, custody and execution services. (Cost \$2,567,958)	1,772,164	1.68%
374,000	UBS Group AG¹ Provides retail banking, corporate and institutional banking, wealth management, asset management and investment banking. (Cost \$6,015,706)	4,641,804	4.40%
		10,600,821	10.04%
No. of Shares	Security	Fair Value	Percent of Net Assets
Biotechnology			4.87%
90,000	Kuros Biosciences AG¹ Develops and produces biopharmaceuticals. The company produces vaccines that immunize the patient against disease related proteins. (Cost \$559,770)	\$ 209,982	0.20%
6,191	NovImmune SA^{1,2,3} Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost \$3,613,416)	4,930,568	4.67%
		5,140,550	4.87%
Construction & Materials			2.71%
350	Belimo Holding AG Market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost \$872,072)	1,398,864	1.33%
319	Forbo Holding AG Produces floor coverings, adhesives and belts for conveying and power transmission. (Cost \$474,301)	446,885	0.42%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stock (continued)			
Construction & Materials (continued)			
30,300	Implenia AG Provides construction, civil and underground engineering services. The company's projects include residential and industrial buildings, tunnels, bridges and roads. The company also provides real estate and facilities management and marketing services. (Cost \$1,716,134)	\$ 1,016,762	0.96%
		2,862,511	2.71%
Electric Utilities 0.66%			
10,000	BKW AG Provides energy supply services. The company focuses on the production, transportation, trading and sale of energy. In addition to energy supply, the company also develops, implements and operates energy solutions for its clients. (Cost \$583,760)	696,896	0.66%
		696,896	0.66%
Financial Services 2.62%			
10,300	VZ Holding AG Provides independent financial advice to private individuals and companies. The company consults on investment, tax and inheritance planning and provides advice regarding insurance products and coverage. (Cost \$1,836,101)	2,768,817	2.62%
		2,768,817	2.62%
No. of Shares	Security	Fair Value	Percent of Net Assets
Food & Beverage 13.63%			
1,080,000	Aryzta AG¹ Produces and retails specialty bakery products. The Company produces French breads, pastries, continental breads, confections, artisan breads, homestyle lunches, viennoiserie, patisserie, cookies, pizza, appetizers, and sweet baked goods. (Cost \$4,435,098)	\$ 1,192,514	1.13%
163,000	Nestlé SA One of the world's largest food and beverage processing companies. (Cost \$9,283,054)	13,194,765	12.50%
		14,387,279	13.63%
Industrial Engineering 0.62%			
3,300	Schindler Holding AG Manufactures and installs elevators, escalators, and moving walkways internationally. The company's products are used in airports, subway stations, railroad terminals, shopping centers, cruise ships, hotels, and office buildings. The company also offers maintenance services. (Cost \$698,442)	651,765	0.62%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stock (continued)			
Industrial Goods & Services 9.31%			
117,500	ABB Ltd. Provides power and automation technologies. The company operates under segments that include power products, power systems, automation products, process automation, and robotics. (Cost \$2,903,382)	\$ 2,228,304	2.11%
17,500	Adecco Group AG Provides personnel and temporary help, and offers permanent placement services internationally for professionals and specialists in a range of occupations. (Cost \$1,064,495)	815,353	0.77%
2,000	Bucher Industries AG Manufactures food processing machinery, vehicles and hydraulic components. Produces fruit and vegetable juice processing machinery, fodder harvesters, plows, seed drills, feed mixers, plant sprayers, spreaders, street sweepers, and snow blowers. The Company operates worldwide. (Cost \$590,465)	536,417	0.51%
No. of Shares	Security	Fair Value	Percent of Net Assets
Industrial Goods & Services (continued)			
1,000	Burckhardt Compression Holding AG Produces compressors for oil refining and the chemical and petrochemical industries, industrial gases and gas transport and storage. (Cost \$301,679)	\$ 233,719	0.22%
20,000	DKSH Holding AG An international marketing and services group. The company offers a comprehensive package of services that includes organizing and running the entire value chain for any product. (Cost \$1,345,985)	1,376,547	1.31%
14,000	Feintool International Holding AG¹ Manufactures integrated systems for fineblanking and forming technologies. The company produces presses and special tooling capable of manufacturing precision parts, automation systems, riveting machines and extruded plastic and metal components. (Cost \$1,353,935)	1,067,965	1.01%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stock (continued)			
Industrial Goods & Services (continued)			
1,000	Georg Fischer AG Provides piping systems, automotive, and machining solutions. The Company supplies piping systems made of plastics and metal, and manufactures lightweight cast components and systems made of ductile iron, aluminium, and magnesium for the global automotive industry as well as a variety of other industrial applications (Cost \$825,606)	\$ 797,829	0.76%
101,700	OC Oerlikon Corp. AG¹ Manufactures industrial equipment. The Company produces protective coatings for precision tools and components, equipment for textile production, and propulsion technology drive systems. (Cost \$1,215,357)	1,138,941	1.08%
20,000	Sensirion Holding AG¹ The company, through its subsidiaries, manufactures gas and liquid flow sensors for the measurement of humidity and temperature, volatile organic compounds and carbon dioxide. The company serves automotive, industrial, medical, and consumer goods sectors worldwide. (Cost \$794,200)	857,172	0.81%
No. of Shares	Security	Fair Value	Percent of Net Assets
Industrial Goods & Services (continued)			
10,000	SFS Group AG¹ Provides automotive products, building and electronic components, flat roofing and solar fastening systems. The company operates production facilities in Asia, Europe and North America. (Cost \$636,134)	\$ 773,991	0.73%
		9,826,238	9.31%
Insurance 6.50%			
11,000	Baloise Holding AG Offers group and individual life, health, accident, liability property, and transportation insurance to customers in Europe. The Company also offers private banking and asset management services. (Cost \$1,699,591)	1,510,854	1.43%
6,200	Swiss Life Holding AG¹ Provides life insurance and institutional investment management. (Cost \$1,883,174)	2,381,132	2.25%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stock (continued)			
Insurance (continued)			
10,000	Zurich Insurance Group AG Provides insurance-based financial services. The company offers general and life insurance products and services for individuals, small businesses, commercial enterprises, mid-sized and large corporations, and multinational companies. (Cost \$3,249,842)	\$ 2,973,220	2.82%
		6,865,206	6.50%
Machinery 1.51%			
150,000	SIG Combibloc Group AG¹ The company, through its subsidiaries, manufactures and produces bottling machines and systems for the food and beverage industries. The company serves customers worldwide. (Cost \$1,727,580)	1,591,601	1.51%
		1,591,601	1.51%
Medical Equipment 6.77%			
125,416	Eyesense AG, Series A^{1,2,3} A spin-out from Ciba Vision AG. Develops novel ophthalmic self-diagnostic systems for glucose monitoring of diabetes patients. (Cost \$3,007,048)	239,178	0.23%
		7,146,296	6.77%
No. of Shares	Security	Fair Value	Percent of Net Assets
Medical Equipment (continued)			
17,500	Sonova Holding AG Designs and produces wireless analog and digital in-the-ear and behind-the-ear hearing aids and miniaturized voice communications systems. (Cost \$2,766,725)	\$ 2,850,984	2.70%
3,731	Spineart SA^{1,2,3} Designs and markets an innovative full range of spine products, including fusion and motion preservation devices, focusing on easy to implant high-end products to simplify the surgical act. (Cost \$2,623,328)	1,152,908	1.09%
15,000	Tecan Group AG Manufactures and distributes laboratory automation components and systems. The products are mainly used by research and diagnostic laboratories. (Cost \$1,412,304)	2,903,226	2.75%
		7,146,296	6.77%
Personal & Household Goods 5.67%			
54,000	Cie Financiere Richemont SA Manufactures and retails luxury goods. Produces jewelry, watches, leather goods, writing instruments and men's and women's wear. (Cost \$4,297,142)	3,451,004	3.27%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stock (continued)			
Personal & Household Goods (continued)			
44,000	Swatch Group AG Registered shares Manufactures finished watches, movements and components. Produces components necessary to its various watch brand companies. The company also operates retail boutiques. (Cost \$4,205,138)	\$ 2,535,200	2.40%
		5,986,204	5.67%
Pharmaceuticals 24.24%			
167,000	Novartis AG One of the leading manufacturers of branded and generic pharmaceutical products. (Cost \$10,287,133)	14,236,843	13.48%
46,000	Roche Holding AG Develops and manufactures pharmaceutical and diagnostic products. Produces prescription drugs to treat cardiovascular, infectious and autoimmune diseases and for other areas including dermatology and oncology. (Cost \$8,233,147)	11,357,679	10.76%
		25,594,522	24.24%
No. of Shares	Security	Fair Value	Percent of Net Assets
Technology 2.72%			
66,381	Airopack Technology Group AG¹ Develops and patents packaging solutions. The company has developed a technology for filling liquids, powders, gases and products of average-to-high viscosity (such as gels, creams or foam) into recyclable plastic packaging. (Cost \$698,147)	\$ 147,468	0.14%
87,000	Logitech International SA Engages in the development and marketing of hardware and software products that enable or enhance digital navigation, music and video entertainment, gaming, social networking and audio and video communication. (Cost \$1,179,564)	2,728,789	2.58%
		2,876,257	2.72%
	Total Common Stock (Cost \$95,180,620)	96,994,963	91.87%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

No. of Shares	Security	Fair Value	Percent of Net Assets
Preferred Stock			0.12%
Biotechnology			0.01%
8,400	Ixodes AG, Series B^{1,2,3,4} Develops and produces a topical product for the treatment of borreliosis infection and the prevention of Lyme disease from a tick bite. (Cost \$2,252,142)	\$ 7,328	0.01%
		7,328	0.01%
Industrial Goods & Services			0.11%
500,863	SelFrag AG Class A^{1,2,3} Designs, manufactures and sells industrial machines and processes using selective fragmentation technology. (Cost \$1,932,198)	121,939	0.11%
		121,939	0.11%
	Total Preferred Stock (Cost \$4,184,340)	129,267	0.12%
		Fair Value	Percent of Net Assets
Limited Partnership			0.93%
Biotechnology			0.93%
	Aravis Biotech II, Limited Partnership^{1,2,3,4} (Cost \$1,810,184)	\$ 980,070	0.93%
	Total Investments* (Cost \$101,175,144)	98,104,300	92.92%
	Other Assets Less Liabilities	7,472,588	7.08%
	Net Assets	\$ 105,576,888	100.00%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (continued)

December 31, 2018

¹ Non-income producing security.² Value determined using significant unobservable inputs.³ Illiquid. There is not a public market for these securities in the United States or in any foreign jurisdiction, including Switzerland. Securities are priced at Fair Value in accordance with the Fund's valuation policy and procedures. At the end of the period, the aggregate Fair Value of these securities amounted to \$7,431,991 or 7.04% of the Fund's net assets. Additional information on these securities is as follows:

Security	Acquisition Date		Cost
Aravis Biotech II, Limited Partnership	July 31, 2007	May 29, 2018	\$ 1,810,184
Eyesense AG Common Shares	July 22, 2010	October 3, 2011	3,007,048
Ixodes AG Preferred Shares B	April 7, 2011	June 1, 2012	2,252,142
NovImmune SA Common Shares	October 7, 2009	December 11, 2009	3,613,416
SelFrag AG Class A Preferred Shares	December 15, 2011	January 28, 2014	1,932,198
Spineart SA Common Shares	December 22, 2010		2,623,328
			<u>\$ 15,238,316</u>

⁴ Affiliated Company. An affiliated company is a company in which the Fund has ownership of at least 5% of the company's outstanding voting securities or an equivalent interest in the company. Details related to affiliated company holdings are as follows:

Name of Issuer	Fair Value as of 12/31/17	Gross Additions	Gross Reductions	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	Interest Income	Fair Value as of 12/31/18
Aravis Biotech II, Limited Partnership	\$ 1,591,513	\$ 81,344	\$ (1,081,211)	\$ 61,007	\$ 327,417	\$	\$ 980,070
Ixodes AG Preferred Shares B	68,268				(60,940)		7,328
	<u>\$ 1,659,781</u>	<u>\$ 81,344</u>	<u>\$ (1,081,211)</u>	<u>\$ 61,007</u>	<u>\$ 266,477</u>	<u>\$</u>	<u>\$ 987,398</u>

* Cost for Federal income tax purposes is \$100,460,292 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 18,443,907
Gross Unrealized Depreciation	(20,799,899)
	<u> </u>
Net Unrealized Appreciation (Depreciation)	<u>\$ (2,355,992)</u>

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (concluded)

December 31, 2018

PORTFOLIO HOLDINGS**% of Net Assets as of December 31, 2018**

Pharmaceuticals	24.24%
Food & Beverage	13.63%
Banks	10.04%
Industrial Goods & Services	9.42%
Medical Equipment	6.77%
Insurance	6.50%
Biotechnology	5.81%
Personal & Household Goods	5.67%
Technology	2.72%
Construction & Materials	2.71%
Financial Services	2.62%
Machinery	1.51%
Electric Utilities	0.66%
Industrial Engineering	0.62%
Other Assets Less Liabilities	7.08%
	100.00%

TOP 10 PORTFOLIO HOLDINGS**% of Net Assets as of December 31, 2018**

Novartis AG	13.48%
Nestlé SA	12.50%
Roche Holding AG	10.76%
NovImmune SA	4.67%
UBS Group AG	4.40%
Cie Financiere Richemont SA	3.27%
Zurich Insurance Group AG	2.82%
Tecan Group AG	2.75%
Sonova Holding AG	2.70%
VZ Holding AG	2.62%

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Statement of Assets and Liabilities

December 31, 2018

Assets:

Investments in unaffiliated issuers, at value (cost \$97,112,818)	\$ 97,116,902
Investments in affiliated issuers, at value (cost \$4,062,326)	987,398

Total Investments, at value (cost \$101,175,144)	98,104,300
--	------------

Cash	1,984,790
Foreign currency (cost \$4,354,683)	4,416,439
Tax reclaims receivable	1,393,946
Prepaid expenses	20,992

Total assets	105,920,467
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Liabilities:

Advisory fees payable	63,853
Audit fees payable	58,000
Legal fees payable	130,000
Other fees and expenses payable	91,726

Total liabilities	343,579
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Net assets	\$ 105,576,888
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Composition of Net Assets:

Paid-in capital	108,397,482
Total distributable earnings (loss)	(2,820,594)

Net assets	\$ 105,576,888
------------	----------------

Net Asset Value Per Share:

(\$105,576,888 ÷ 13,267,111 shares outstanding, \$0.001 par value: 50 million shares authorized)	\$ 7.96
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See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Statement of Operations

For the Year Ended December 31, 2018

Investment Income:

Dividends (less of foreign tax withheld of \$1,300,499)	\$ 7,813,505
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Total income	<u>7,813,505</u>
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Expenses:

Investment advisory fees (Note 2)	1,992,536
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Administration fees (Note 3)	83,721
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Directors' fees and expenses	310,938
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Legal fees (Note 3)	1,100,390
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Audit fees (Note 3)	57,650
---------------------	--------

Printing and shareholder reports	106,581
----------------------------------	---------

Insurance fees	114,874
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Delaware franchise tax fees	90,000
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Transfer agency fees (Note 3)	80,588
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Custody fees (Note 3)	46,772
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Proxy solicitation expense (Note 2)	268,791
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Miscellaneous expenses	142,587
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Total expenses	<u>4,395,428</u>
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Net investment income	<u>3,418,077</u>
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Realized and Unrealized Gains (Loss) on Investments and Foreign Currency:

Net realized gain (loss) from:	
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Investments in unaffiliated issuers	127,536,315
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Investments in affiliated issuers	61,007
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Foreign currency transactions	(1,347,607)
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Total net realized gain (loss) from unaffiliated and affiliated issuers and foreign currency transactions	<u>126,249,715</u>
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Net change in unrealized appreciation (depreciation) from:	
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Investments in unaffiliated issuers	(157,493,933)
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Investments in affiliated issuers	266,477
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Foreign currency and foreign currency translations	(40,421)
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Total net change in unrealized appreciation (depreciation) from unaffiliated and affiliated issuers, foreign currency and foreign currency translations	<u>(157,267,877)</u>
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Net Realized and Unrealized Loss on Investments and Foreign Currency	(31,018,162)
Net Decrease in Net Assets from Operations	\$ (27,600,085)

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Statement of Changes in Net Assets

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Increase (Decrease) in Net Assets:		
Operations:		
Net investment income	\$ 3,418,077	\$ 3,420,450
Total net realized gain (loss) from unaffiliated and affiliated issuers and foreign currency transactions	126,249,715	13,005,528
Total net change in unrealized appreciation (depreciation) from unaffiliated and affiliated issuers, foreign currency and foreign currency translations	(157,267,877)	51,978,234
	<u>(27,600,085)</u>	<u>68,404,212</u>
Net increase (decrease) in net assets from operations	(27,600,085)	68,404,212
	<u>(129,417,170)</u>	<u>(3,290,803)</u>
Distributions to Stockholders^(a):		
Capital Share Transactions:		
Value of shares issued in reinvestment of dividends and distributions	99,423,894	
Value of shares repurchased through tender offer (Note 7)	(193,661,895)	(36,142,591)
	<u>(94,238,001)</u>	<u>(36,142,591)</u>
Total decrease from capital share transactions	(94,238,001)	(36,142,591)
	<u>(251,255,256)</u>	<u>28,970,818</u>
Total increase (decrease) in net assets	(251,255,256)	28,970,818
Net Assets:		
Beginning of year	356,832,144	327,861,326
	<u>356,832,144</u>	<u>327,861,326</u>
End of year ^(b)	\$ 105,576,888	\$ 356,832,144
	<u>105,576,888</u>	<u>356,832,144</u>

^(a) Prior year distributions to stockholders included distributions from net investment income and net realized gain from foreign currency transactions. These amounts were reclassified to conform with the current year presentation.

^(b) Includes accumulated undistributed net investment income of \$81,482 as of December 31, 2017. The SEC eliminated the requirement to disclose undistributed net investment income in 2018.

See Notes to Financial Statements.

THE SWISS HELVETIA FUND, INC.

Financial Highlights

	For the Years Ended December 31,				
	2018	2017	2016	2015	2014
Per Share Operating Performance:					
Net asset value at the beginning of the period	\$ 14.10	\$ 11.66	\$ 12.30	\$ 12.78	\$ 15.46
Income from Investment Operations:					
Net investment income ¹	0.14	0.13	0.15	0.11	0.08
Net realized and unrealized gain (loss) on investments ²	(1.35)	2.41	(0.45)	0.12	(0.40)
Total from investment activities	(1.21)	2.54	(0.30)	0.23	(0.32)
Gain from capital share repurchases			0.02		
Gain from tender offer	0.30	0.03			0.05
Capital change resulting from the issuance of fund shares	(0.12)		(0.03)		(0.03)
Less Distributions:					
Dividends from investment income and net realized gains from foreign currency transactions	(0.10)	(0.13)	(0.12)	(0.03)	(0.04)
Distributions from net realized capital gains	(5.01)		(0.21)	(0.68)	(2.34)
Total distributions	(5.11)	(0.13)	(0.33)	(0.71)	(2.38)
Net asset value at end of period	\$ 7.96	\$ 14.10	\$ 11.66	\$ 12.30 ³	\$ 12.78 ⁴
Market value per share at the end of period	\$ 6.90	\$ 12.76	\$ 10.21	\$ 10.56	\$ 11.14
Total Investment Return: ⁵					
Based on market value per share	(10.90)%	26.26%	(0.24)%	1.41%	(3.66)%
Based on net asset value per share	(6.98)%	22.17%	(2.19)%	2.96% ³	(0.27)% ⁴
Ratios to Average Net Assets:					
Net expenses	1.44%	1.40%	1.19%	1.15%	1.41%
Gross expenses	1.44%	1.40%	1.19%	1.15%	1.41%
Net investment income	1.12%	0.98%	1.26%	0.81%	0.52%
Supplemental Data:					
Net assets at end of period (000 \$)	\$ 105,577	\$ 356,832	\$ 327,861	\$ 344,132	\$ 340,457
Average net assets during the period (000 \$)	\$ 305,270	\$ 350,487	\$ 331,874	\$ 368,969	\$ 426,661
Portfolio turnover rate	21%	9%	19%	23%	48%

¹ Calculated using the average shares method.

² Includes net realized and unrealized currency gain and losses.

³ The net assets value per share (NAV) for financial reporting purposes, \$12.30, differs from the NAV reported on December 31, 2015, \$12.33 due to adjustments made in accordance with accounting principles generally accepted in the United States of America.

⁴ The NAV for financial reporting purposes, \$12.78, differs from the NAV reported on December 31, 2014, \$12.82 due to adjustments made in accordance with accounting principles generally accepted in the United States of America.

⁵ Total investment return based on market value differs from total investment return based on net assets value due to changes in relationship between Fund's market price and its NAV per share.

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 management investment 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.

B. Securities Valuation

The Fund values its investments at fair value in accordance with accounting principles generally accepted in the United States (GAAP).

When valuing listed equity securities, the Fund uses the last sale price on the securities exchange or national securities market on which such securities primarily are traded (the Primary Market) prior to the calculation of the Fund's net asset value (NAV). When valuing equity securities that are not listed (except privately-held companies and private equity limited partnerships) or that are listed but have not traded on a day on which the Fund calculates its NAV, the Fund uses the mean between the bid and asked prices for that day. If there are no asked quotations for such a security, the value of such security will be the most recent bid quotation on the Primary Market on that day. On any day when a security's Primary Market is closed because of a local holiday or other scheduled closure, but the New York Stock Exchange is open, the Fund may use the prior day's closing prices to value such security regardless of the length of the scheduled closing.

When valuing fixed-income securities, if any, the Fund uses the last bid price prior to the calculation of the Fund's NAV. If there is no current bid price for a fixed-income security, the value of such security will be the mean between the last quoted bid and asked prices on that day. Overnight and certain other short-term fixed-income securities with maturities of less than 60 days will be valued by the amortized cost method, unless it is determined that the amortized cost method would not represent the fair value of such security.

It is the responsibility of the Fund's Board of Directors (the Board) to establish procedures to provide for the valuation of the Fund's portfolio holdings. 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 (a Fair Value). 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.

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Swiss exchange-listed options, if any, including Eurex-listed options, are valued at their most recent sale price (latest bid for long options and the latest ask for short options) on the Primary Market, or if there are no such sales, at the average of the most recent bid and asked quotations on such Primary Market, or if such quotations are not available, at the last bid quotation (in the case of purchased options) or the last asked quotation (in the case of written options). If, however, there

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

are no such quotations, such options will be valued using the implied volatilities observed for similar options or from aggregated data as an input to a model. Options traded in the over-the-counter market, if any, are valued at the price communicated by the counterparty to the option, which typically is the price at which the counterparty would close out the transaction. Option contracts, if any, that are neither exchange-listed nor traded in the over-the-counter market, and where no broker can provide a quote or approved pricing vendor a price, may be valued using the implied volatilities observed for similar instruments or from aggregated market data received from services (e.g., Bloomberg) as an input to a widely accepted model.

The Fund is permitted to invest in investments that do not have readily available market quotations. For such investments, the Act requires the Board to determine their Fair Value. The aggregate value of these investments amounted to \$7,431,991, or 7.04% of the Fund's net assets at December 31, 2018, and are listed in Note 3 to the Schedule of Investments.

Various inputs are used to determine the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 unadjusted quoted prices in active markets for identical assets and liabilities

Level 2 other significant observable inputs (including quoted prices of similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2018:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Investments Valued at NAV**	Total
Investments in Securities*					
Common Stock	\$ 90,672,309	\$	\$ 6,322,654	\$	\$ 96,994,963
Preferred Stock			129,267		129,267
Limited Partnership				980,070	980,070
Total Investments in Securities	\$ 90,672,309	\$	\$ 6,451,921	\$ 980,070	\$ 98,104,300

* Please see the Schedule of Investments for industry classifications.

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As of December 31, 2018 certain of the Fund's investments were valued using net asset value (NAV) per share (or its equivalent) as a practical expedient for fair value and have been excluded from the fair value hierarchy in accordance with ASU 2015-07. The fair value amount presented in this table is intended to permit reconciliation of the amounts presented in the fair value hierarchy to the amounts presented in the statement of assets and liabilities.

The Fund values its investment in a private equity limited partnership in accordance with Accounting Standards Codification 820-10-35, Investments in Certain Entities that Calculate Net Asset Value Per Share (Or its Equivalent) (ASC 820-10-35). ASC 820-10-35 permits a reporting entity to measure the fair value of an investment that does not have a readily determinable fair

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

value, based on the NAV of the investment as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a value significantly different than the NAV. If the NAV of the investment is not as of the Fund's measurement date, then the NAV should be adjusted to reflect any significant events that may change the valuation. Inputs and valuation techniques for these adjustments may include fair valuations of the partnership and its portfolio holdings provided by the partnership's general partner or manager, other available information about the partnership's portfolio holdings, values obtained on redemption from other limited partners, discussions with the partnership's general partner or manager and/or other limited partners and comparisons of previously-obtained estimates to the partnership's audited financial statements. In using the unadjusted NAV as a practical expedient, certain attributes of the investment that may impact its fair value are not considered. Attributes of those investments include the investment strategies of the privately held companies and may also include, but are not limited to, restrictions on the investor's ability to redeem its investments at the measurement date and any unfunded commitments.

Level 3 securities, which are listed in Note 3 to the Schedule of Investments, consist of the Fund's investments in privately-held companies.

Inputs and valuation techniques used by the Fund to value its Level 3 investments in privately-held companies may include the following: acquisition cost; fundamental analytical data; discounted cash flow analysis; nature and duration of restrictions on disposition of the investment; public trading of similar securities of similar issuers; economic outlook and condition of the industry in which the issuer participates; financial condition of the issuer; and the issuer's prospects, including any recent or potential management or capital structure changes. Although these valuation inputs may be observable in the marketplace as is characteristic of Level 2 investments, the privately-held companies, categorized as Level 3 investments, generally are highly illiquid in terms of resale.

When valuing Level 3 investments, management also may consider potential events that could have a material impact on the operations of a privately-held company. Not all of these factors may be considered or available, and other relevant factors may be considered on an investment-by-

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

investment basis. The table below summarizes the techniques and unobservable inputs for the valuation of Level 3 investments.

Quantitative Information about certain Level 3 Fair Value Measurements

	Fair Value at December 31, 2018	Valuation Technique	Unobservable inputs	Range
<i>Biotechnology</i>				
NovImmune SA Common Shares	\$4,930,568	Market approach	Market Activity	N/A
Ixodes AG Preferred Shares	7,328	Asset based approach	Audited financial statements	N/A
<i>Industrial Goods & Services</i>				
SelfFrag AG Preferred Shares	121,939	Market approach	Recent round of financing	N/A
<i>Medical Equipment</i>				
EyeSense AG Common Shares	239,178	Market approach	Recent round of financing	N/A
Spineart SA Common Shares	1,152,908	Market approach	Peer group	N/A
Total	\$6,451,921			

The Fund's policy is to disclose transfers between Levels based on their market prices as of the beginning of the period.

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value.

	Common Stock	Preferred Stock	Total
Balance as of December 31, 2017	\$ 4,941,039	\$ 328,792	\$ 5,269,831
Change in Unrealized Appreciation/Depreciation ^(a)	1,142,437	39,653	1,182,090
Net Realized Gain (Loss)			
Gross Purchases			
Gross Sales			
Transfer out of Level 3	239,178*	(239,178)*	
Balance as of December 31, 2018	\$ 6,322,654	\$ 129,267	\$ 6,451,921

^(a) The noted amounts of change in unrealized appreciation/depreciation relate to the fair value of Level 3 assets held on December 31, 2018.

* Transfer between Preferred Stock and Common Stock of the same issuer.

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

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 to a specific offsetting transaction.

Dividend income, net of any foreign taxes withheld, is recorded on the ex-dividend date. Interest income, including amortization of premium and accretion of discount, 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.

Distributions received from securities that represent a return of capital or capital gains are recorded as a reduction of cost of investment and/or as a realized gain.

D. Distributions

The Fund pays dividends at least annually to the extent it has any federally taxable net investment income and makes distributions of any net realized capital gains to the extent that 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 of 1986, as amended (the Code). The Fund records dividends and distributions on the ex-dividend date.

In May 2018, the Board adopted a managed distribution policy that permits the Fund to distribute long-term capital gains more frequently than once per year as permitted by the Act. Distributions under the managed distribution plan may consist of net investment income, net realized short-term capital gains, net realized long-term capital gains and, to the extent necessary, return of capital (or other capital sources). On June 29, 2018, in accordance with the Fund's policy, the Fund paid a cash dividend of \$0.2025 per share of common stock. In August 2018, the Board suspended until further notice any distributions that would otherwise be payable pursuant to the managed distribution policy. As of the date of this report, the managed distribution policy remains suspended. The Board may amend or terminate the managed distribution policy at any time without prior notice to Fund stockholders, which could have an adverse effect on the market price of the Fund's shares.

On October 19, 2018, the Fund paid a stock dividend of \$4.91 per share of common stock to stockholders of record as of the close of business on September 18, 2018. Fund stockholders had the opportunity to elect to receive cash in lieu of Fund common stock subject to a limitation on the total amount of cash to be distributed equal to 20% of the aggregate distribution. The dividend consisted of approximately \$24.87 million in cash and approximately 12.59 million shares of the Fund's common stock priced at \$7.8957 per share.

E. Federal Income Taxes

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The Fund's policy is to continue to comply with the requirements of the 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.

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

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

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years and has concluded that no provision for federal income tax is required in the Fund's financial statements. The Fund files federal tax returns which remain open for examination generally for the current year and the three prior years. In addition, the Fund holds investments in Switzerland and other foreign tax jurisdictions. Withholding taxes on foreign interest and dividends have been provided for in accordance with each applicable country's tax rules and rates.

F. Foreign Currency Translation

The Fund maintains its accounting records in U.S. dollars. The Fund's assets are invested primarily in Swiss equities. In addition, the Fund can make its temporary investments in Swiss franc-denominated bank deposits, short-term debt securities and money market instruments. Substantially all income received by the Fund is in Swiss francs. The Fund's NAV, however, is reported, and distributions from the Fund are made, in U.S. dollars, resulting in gain or loss from currency conversions in the ordinary course of business. Historically, the Fund has not entered into transactions designed to reduce currency risk and does not intend to do so in the future. The cost basis of foreign denominated assets and 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 foreign currency gain/loss. 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 shown in the Fund's financial statements result from the sale of foreign currencies, from currency gains or losses realized between the trade and settlement dates of 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, the Fund does not separate the gain or loss attributable to 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 translations resulting in realized and unrealized gain or loss are disclosed separately.

G. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements (continued)

H. Concentration of Market Risk

The Fund primarily invests in securities of Swiss issuers. Such investments may carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, unfavorable movements in the Swiss franc relative to the U.S. dollar, and the possible imposition of exchange controls and changes in governmental law and restrictions. In addition, concentrations of investments in securities of issuers located in a specific region expose the Fund to the economic and government policies of that region and may increase risk compared to a fund whose investments are more diversified.

I. New Regulation

The Securities Exchange Commission (SEC) adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These Regulation S-X amendments are reflected in the Fund's financial statements for the year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets presented herein have been reclassified to conform to the current year presentation.

Note 2 Fees and Transactions with Affiliates

Schroder Investment Management North America Inc. (SIMNA) and its affiliate, Schroder Investment Management North America Limited (SIMNA Ltd and together with SIMNA, Schrodors), serve as the Fund's investment adviser and investment sub-adviser, respectively. The Fund pays SIMNA an annual advisory fee of 0.70% of the Fund's average month-end net assets up to \$250 million, 0.60% of such assets in excess of \$250 million and up to \$350 million, 0.55% of such assets in excess of \$350 million and up to \$450 million, 0.50% of such assets in excess of \$450 million and up to \$550 million, and 0.45% of such assets in excess of \$550 million. As compensation for its investment sub-advisory services, SIMNA Ltd receives 58.5% of the advisory fee paid by the Fund to SIMNA.

The Fund pays each Director who is not an interested person (as such term is defined in the Act) of the Fund or Schrodors (Non-Interested Directors), \$42,000 annually in compensation, except for the Chairman of the Board to whom the Fund pays an annual fee of \$56,000 and for the Chairs of the Audit, the Pricing and the Governance/Nominating Committees to each of whom the Fund pays an annual fee of \$48,000. In addition, the Fund pays each Non-Interested Director \$2,000 for each Board meeting attended in person, and \$750 for each Board meeting attended by telephone. Each Director who is a member of a Committee will be paid a fee of \$750 for each Committee meeting attended, whether in person or by telephone. The Board or a Committee may establish ad hoc committees or sub-committees. Any Committee or sub-committee member may be compensated by the Fund for incremental work outside of the regular meeting process based on the value determined to be added to the Fund. In July 2018, the Board approved a change to its By-Laws and

THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

Board committee charters to provide that each Director who is not an interested person of Schrodgers or its affiliates will be entitled to receive the above fees.

Proxy solicitation expense includes approximately \$178,000 paid to Bulldog Investors, LLC, as reimbursement of its proxy solicitation costs in connection with its proxy solicitations for the Fund's 2017 and 2018 Annual Meetings of Stockholders. The solicitations resulted in the election to the Fund's Board of Directors of Messrs. Dakos and Sell in 2017 and Messrs. Goldstein and Hellerman in 2018 to the Fund's Board of Directors. Messrs. Goldstein and Dakos are members of Bulldog Investors, LLC.

Note 3 Other Service Providers

American Stock Transfer & Trust Company is the Fund's transfer agent. JPMorgan Chase Bank, N.A. serves as the Fund's custodian and also provides certain administration and portfolio accounting services to the Fund. The Fund pays these service providers' fees, which are accrued daily and paid monthly.

In addition to its other service provider fees, the Fund incurs certain professional fees, including fees of its outside legal counsel and legal counsel to the Fund's Non-Interested Directors as well as fees of its independent registered public accounting firm. Those fees vary depending on the nature of the Fund's activities each year. Due to work associated with the Fund's 2018 tender offer, the litigation described in Note 9, and the proxy contest during the period, the Fund incurred additional fees which are not expected to be recurring expenses. Following the completion of the Fund's 2018 Annual Meeting of Stockholders, the Fund's Non-Interested Directors determined they would no longer retain separate counsel.

Note 4 Capital Share Transactions

The Fund is authorized to issue up to 50 million shares of capital stock. Transactions in capital shares were as follows:

	For the Year Ended December 31, 2018		For the Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Dividends Reinvested	12,592,157	\$ 99,423,894		\$
Repurchased through Stock Repurchase Program (Note 6)				
Repurchased from Tender Offer (Note 7)	(24,638,918)	(193,661,895)	(2,812,653)	(36,142,591)
Net Increase/(Decrease)	(12,046,761)	\$ (94,238,001)	(2,812,653)	\$ (36,142,591)

Note 5 Federal Income Tax and Investment Transactions

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The tax character of distributions paid during 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Ordinary Income	\$ 2,624,273	\$ 3,290,803
Long-Term Capital Gains	126,792,897	
Total	<u>\$ 129,417,170</u>	<u>\$ 3,290,803</u>

 THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (continued)

Under current tax law, capital losses and specified ordinary losses realized after October 31 may be deferred and treated as occurring on the first business day of the following fiscal year. The Fund had deferred post-October capital and currency losses and other late-year deferrals totaling \$481,984, which will be treated as arising on the first business day following the fiscal year ended December 31, 2018.

Capital loss carryovers retain their character as either long-term capital losses or short-term capital losses and are applied as a new loss on the first day of the immediately succeeding tax year. During the year ending December 31, 2018, the Fund utilized \$610,025 of its non-expiring short term capital loss carryovers.

At December 31, 2018, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	\$
Capital Loss Carry Forward	
Current Late-Year Loss Deferral and Post-October Losses	(481,984)
Unrealized Depreciation	(2,338,610)
	<hr/>
Total	\$ (2,820,594)
	<hr/>

The differences between book basis and tax basis distributable earnings are primarily attributable to tax deferral of wash sales and investments in partnerships.

Gains and losses from foreign currency transactions are treated as ordinary income and loss, respectively, for federal income tax purposes.

The aggregate cost of purchases and proceeds from sales of investments, other than short-term obligations, for the year ended December 31, 2018 were \$62,047,516 and \$285,071,080, respectively.

The following summarizes all distributions declared by the Fund during the year ended December 31, 2018:

	Record Date	Payable Date	Amount
	<hr/>	<hr/>	<hr/>
Ordinary Income	6/22/2018	6/29/2018	\$ 0.004
Long-Term Capital Gain	6/22/2018	6/29/2018	\$ 0.199
Ordinary Income	9/18/2018	10/19/2018	\$ 0.099
Long-Term Capital Gain	9/18/2018	10/19/2018	\$ 4.811

Total Distributions

\$ 5.113

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 in 1999. The Board has authorized a stock repurchase program permitting such purchases by the Fund in each subsequent year, except for 2014. The principal purpose of the stock repurchase program has been to enhance stockholder value by increasing the Fund's NAV per share.

 THE SWISS HELVETIA FUND, INC.

Notes to Financial Statements (concluded)

On December 7, 2018, the Fund announced the Board's approval of the Fund's stock repurchase program for 2019. Under the program, the Fund is authorized to make open-market repurchases of its common stock of up to 250,000 shares. The Fund did not repurchase any common stock pursuant to the program during the year ended December 31, 2018.

As a result of the Fund's tender offer, the Fund's share repurchase program had been suspended pending completion of the tender offer in November. See Note 7 for additional information.

The Fund intends to repurchase shares of its common stock, at such times and in such amounts as is deemed advisable and in accordance with applicable law, subject to various factors, including the limitations imposed by the federal securities laws governing the repurchase of an issuer's stock by the issuer and the ability of the Fund to raise cash to repurchase shares of the Fund's common stock in a tax-efficient manner.

Note 7 Tender Offer

On November 20, 2018, the Fund accepted for cash purchase 24,638,918 shares of the Fund's common stock at a price equal to \$7.86 per share, which represented 98% of the Fund's NAV per share of \$8.02 as of the close of the regular trading session of the New York Stock Exchange on November 19, 2018. As a result of the purchase of the 24,638,918 shares, the Fund had 13,267,111 shares of common stock outstanding.

Note 8 Capital Commitments

As of December 31, 2018, the Fund maintains an illiquid investment in one private equity limited partnership. This investment appears in the Fund's Schedule of Investments. The Fund's capital commitment for this partnership is shown in the table below:

Investments	Original Capital Commitment*	Unfunded Commitment*
Private Equity Limited Partnership International (a)		
Aravis Biotech II, Limited Partnership	\$ 3,296,815	\$

* The original capital commitment represents 3,250,000 Swiss francs, which has been fully funded as of December 31, 2018. The Swiss franc/U.S. dollar exchange rate as of December 31, 2018 was used for conversion and equaled 0.9858 as of such date.

(a) This category consists of one private equity limited partnership that invests primarily in venture capital companies in the biotechnology and medical technology sectors. There is no redemption right for the interest in this limited partnership. Instead, the nature of investments in this category is that distributions are received through the realization of the underlying assets of the limited partnership.

Note 9 Subsequent Events

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The Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date financial statements were available to be issued. Based on this evaluation, no adjustments were required to the financial statements as of December 31, 2018.

On February 22, 2019, JPMorgan Chase Bank, N.A. provided notice to the Fund that it was terminating its custody and administrative services contracts with the Fund in accordance with the terms of those contracts. The Fund is evaluating its options to identify replacement(s) for custodian and administrator, which could result in additional costs to the Fund for obtaining such services.

THE SWISS HELVETIA FUND, INC.

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of The Swiss Helvetia Fund, Inc. Fund (the Fund), including the schedule of investments, as of December 31, 2018, 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 financial highlights for each of the three years in the period then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, 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 three years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

The financial highlights for each of the two years in the period then ended December 31, 2015 were audited by other auditors whose report dated February 26, 2016, expressed an unqualified opinion on such financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Fund s management. Our responsibility is to express an opinion on the Fund s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting

Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the Fund s auditor since 2016.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, 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.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and other issuers. We believe

THE SWISS HELVETIA FUND, INC.

Report of Independent Registered Public Accounting Firm (concluded)

that our audits provide a reasonable basis for our opinion.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania

February 22, 2019

THE SWISS HELVETIA FUND, INC.

Additional Information (Unaudited)

This report is sent to the stockholders of the Fund 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 (800) 730-2932 and on the SEC's website at <http://www.sec.gov>. The Fund's proxy voting record for the twelve-month period ended December 31 is available, without charge and upon request, by calling (800) 730-2932 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 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>.

Code of Ethics

The Board of Directors of the Fund and the Advisor have adopted Codes of Ethics pursuant to Rule 17j-1 under the Act and Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Codes"). The Codes apply to the personal investing activities of various individuals including directors and officers of the Fund, the Fund's portfolio managers 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 managers' 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 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 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.

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.

THE SWISS HELVETIA FUND, INC.

Tax Information for the Year Ended December 31, 2017 (Unaudited)

Distributions

The Fund designates 100% 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 amounts may differ from those elsewhere in this report because of the difference between tax and financial reporting requirements. For federal income tax purposes,

distributions from short-term capital gains are classified as ordinary income.

The Fund intends to elect to pass through to stockholders the income tax credit for taxes paid to foreign countries. Foreign source income and foreign tax expense per outstanding shares on December 31, 2018, were \$0.30 and \$0.10 per share, respectively.

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 or her beneficial ownership of Common Stock of the Fund. All information presented in the tables is as of December 31, 2018.

Name, Address & Age	Position(s) with Fund (Since)	Principal Occupation(s) During At Least The Past Five Years	Other Directorships Held By Director During At Least The Past Five Years	Shares and Dollar Range of Common Stock Beneficially Owned
Richard Dayan		<i>Class I</i>		