SWISS HELVETIA FUND, INC.
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THE SWISS HELVETIA FUND, INC.

Directors and Officers

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Chairman (Non-executive)

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Director

David R. Bock[2]

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Richard A. Brealey[2,3]

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President

Director

Claus Helbig[2,4]

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R. Clark Hooper[2]

Director

[1] *Audit Committee Chair*

[2] *Audit Committee Member*

[3] *Pricing Committee Chair*

Paul Hottinguer

Director

Rudolf Millisits

Chief Executive Officer

Philippe R. Comby,

CFA, FRM

Chief Financial Officer

Vice President

Jennifer English

Secretary

Scott Rhodes

Assistant Treasurer

Patrick J. Keniston

Chief Compliance Officer

Director Emeritus

Eric R. Gabus[5]

Baron Hottinguer[5]

[4] *Governance/Nominating Committee Chair*

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Investment Advisor

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The Investment Advisor

The Swiss Helvetia Fund, Inc. (the Fund) is managed by Hottinger Capital Corp., which belongs to Groupe Banque Hottinger & Cie SA.

Groupe Banque Hottinger & Cie SA dates back to Banque Hottinguer, which was formed in Paris in 1786 and is one of Europe s oldest private banking firms. Groupe Banque Hottinger & Cie SA has remained under the control of the Hottinger family through seven generations. Its headquarters are in Zurich with offices in Geneva, Sion, Basel, Brig and New York.

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The Fund

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

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

Net Asset Value is calculated daily by 6:15 P.M. (Eastern Time). The most recent calculation is available by 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.*

Letter to Stockholders

Overall Investment Strategy and Process

The goal of the Fund is to provide shareholders with broad exposure to the Swiss equity market and to returns based on long term capital appreciation through investments in Swiss companies that have the potential to provide sustainable returns. Management looks to achieve these goals by investing in companies whose growth profile is underestimated by the market or whose recovery potential is overlooked by other investors. These investment opportunities exist across various market capitalizations. The Fund invests in Swiss companies ranging from some of the largest global businesses to mid- and smaller-size companies that are less represented in the major Swiss indices, including private equity investments in early stage companies.

The investment approach of the Fund s management is bottom-up driven by fundamental research on specific industries and companies products, services and business models. As part of the portfolio construction process, Fund management considers the market capitalization size and risk return characteristics of portfolio companies to determine the range of weightings for each position. As a result, the screening and weighting process of the Fund s holdings reflects the broader Swiss market.

For the recovery strategy, company-specific factors are given greater consideration in stock selection than industry factors. Positive industry trends can be a supporting factor that helps reduce company-specific risk, thereby enabling possible larger asset allocations to these positions.

Similarly, in the undervalued growth strategy, an expected expansion in a specific company s market share is a primary driver for stock selection. However, if a company is active in an overall growing market, the risk-return profile of the investment is improved, and Fund management may consider a greater asset allocation to the company.

Investment Results

SWZ Performance*
(U.S. Dollars as of March 31, 2014)

	Market Value Performance	Net Asset Value Performance
Calendar Year-to-Date	3.08%	5.91%
1 Year	26.33%	24.69%
5 Years (annualized)	17.85%	16.01%
10 Years (annualized)	8.66%	8.36%

**Source Citi*

Portfolio Composition

(All percentages are as of the quarter-ended March 31, 2014)

During the first quarter of 2014, the undervalued growth large capitalization strategy remained the largest strategy component of the Fund s portfolio, comprising 41.43% of the Fund s assets. Novartis and Roche still make up more than half of this strategy despite a reduction in the Fund s exposure to Roche that was motivated by a relatively high valuation after the re-rating (price-to-earnings ratio expansion) of the last two years and by the challenge to growth represented by negative currency effects and increased competition in oncology. Despite a strong pipeline, Management s opinion is

Letter to Stockholders (continued)

that the differentiating factors favoring Roche are not as strong as they used to be. The Fund s exposure to Nestlé was reduced as well, also on valuation grounds. The company, however, remains in the top three holdings of the Fund.

The Fund s exposure to the recovery mid- and small-capitalization strategy has been fairly stable since the end of last year, and accounts for 22.66% of the Fund s portfolio. The healthcare sector represents the largest allocation of this strategy, which is comprised of companies like Actelion (which is transitioning from recovery to profitable growth), Lonza and Nobel Biocare. In this sector, Management took some profit in Nobel Biocare, and increased the Fund s exposure to Lonza, where the next phase in the recovery path is clearer and execution risks are lower.

The approach with the largest weight increase, due both to additions and price appreciations, has been the undervalued growth mid-and small-capitalization strategy. This strategy now accounts for 20.43% of the Fund s assets, an increase of approximately 3.5% compared to year-end 2013. The sector with the largest increase in exposure since year-end 2013 has been industrials.

Management believes that, within the recovery large capitalization strategy, which comprises 8.41% of the Fund s portfolio, companies in the banking industry have the greatest potential for improving profitability. However, the Fund s exposure to UBS and Credit Suisse has been reduced slightly in

reaction to ongoing litigation involving the companies and a reduction of legacy assets in their investment banking arms, the positive net effect of which could be delayed considering the advanced stage of the credit cycle. While valuations are reasonable and while wealth management franchises attract a respectable amount of new money, namely in emerging markets, profitability in the onshore business is not as high as that in the offshore legacy business. Cost cutting will be critical for these companies to maintain attractive operating margins.

The Fund s allocation to private equity has increased from 6.20% to 6.87%, which predominantly can be attributed to the reduction in the Fund s assets following the payment in January 2014 of net investment income and short-term and long-term capital gain distributions, and the completion of the one-time cash tender offer. No sales or exits have yet taken place in this portion of the portfolio. The Fund s allocation to cash remains *de minimis*.

Performance Analysis

(Returns are total returns in Swiss francs for the quarter ended March 31, 2014 for the days the sector or the stock was held in the portfolio, if not otherwise specified)

The Fund s net asset value total return in USD was 5.91%, which compares well with the total return in USD of 5.36% by the broad Swiss market and of 1.81% by the S&P 500 Index.

The volatility of the Fund s growth large capitalization strategy over the one-year

3

Letter to Stockholders (continued)

period ended March 31, 2014 was 13.55% and its return was 5.58% for the first quarter of the year. In part due to its weight in the portfolio, the strategy contributed to more than 40% of the total net asset value performance of the Fund for the quarter ended March 31, 2014. The healthcare component of the strategy, Novartis and Roche, once again provided strong, above market total returns, while the consumer discretionary segment, Swatch and Richemont, underperformed, as the volume growth of high-end watch sales is expected to slow down, namely in emerging markets, due to a high comparison base and high level of inventory in the wholesale and retail channels. The strengthening of reporting currencies (Euro and Swiss franc) will also continue to put pressure on sales and margins. Nestlé had a more modest return than Roche and Novartis, as the food company s organic growth has slowed down of late. However, the outlook for pricing in emerging markets and Europe, especially for the second half of 2014, is promising, and Nestlé s sales should get some relief from the recent deflationary trend.

Not surprisingly, the recovery mid-and small-capitalization companies displayed a higher volatility than the rest of the Fund s portfolio, with a standard deviation of 20.23% during the one-year period ended March 31, 2014. The total return of this strategy for the first quarter 2014 was also lower at 4.17%. The Sharpe ratio was lower as well. After a strong showing in 2013, recovery mid- and small-capitalization stocks have been moving in a consolidation pattern, as investors are now assessing how the second

phase of the restructuring should lead to more sustainable profitable growth in the future. A notable outperformer in this strategy has been Swiss Life, with a 17.17% return for the quarter. Lonza and Panalpina were negative performers for the quarter. The first part of the restructuring phase has generated positive returns in general, but Management believes there is more to come for these two companies.

The industrial sector of the undervalued growth mid-and small-capitalization strategy outperformed the market. Despite the fact that its healthcare component was negatively affected by the sell-off of growth stocks in the U.S market, this strategy delivered the highest return (8.00%) and second highest contribution to the Fund s performance for the quarter. Lindt, Burckhardt Compression and Bucher were the star performers. In Management s view, solid and stable management, strong brand names, growing end markets and a focus on long-term targets are the main drivers of their performance. With only 13.48% volatility over a one-year period, this strategy had the best risk-adjusted return of the Fund s strategies.

UBS and Credit Suisse had mid-single digits returns in the first quarter of 2014, but a negative return for ABB, which still is struggling with its power system division, reduced the performance of the recovery large capitalization strategy. The result was a 3.59% return with a relatively high volatility of 18.36%. As a sector, the financials had the best total return year-to-date, mostly due to the strong performance of Swiss Life.

Letter to Stockholders (continued)

GICS Sectors[1]	SWZ Schedule of Investments Grouping[2]	Total Return % Year-to-date (3/31/2014)[3]	Average Weight in % Year-to-date (3/31/2014)[3,4]	Performance Contribution in % Year- to-date (3/31/2014)[3]
Health Care	Pharmaceuticals, Biotechnology, Medical Technology	6.64	43.16	2.75
Financials	Banks, Insurance, Financial Services	10.24	10.10	0.97
Industrials	Industrial Goods & Services	3.99	18.11	0.66
Consumer Staples	Food & Beverage	4.17	14.05	0.61
Energy	Energy	-3.99	0.27	-0.05
Consumer Discretionary	Personal & Household Goods	-1.21	4.58	-0.08
Materials	Chemical, Construction & Material	-5.88	2.52	-0.19

[1] *Industry sector group levels are provided by the Global Industry Classification Standard (GICS). All GICS data is provided as is with no warranties.*
[2] *Grouping by industry is used for portfolio management and compliance tests purposes.*
[3] *Private equity investments are not included in this analysis.*
[4] *Cumulative returns for the days held in the portfolio*
Source: Bloomberg Analytics, HCC, Citi

Private Equity

Zurmont Madison Private Limited Partnership, one of the Fund s two investments in private equity funds and its largest overall allocation to private equity, continued to show progress during the period. Companies held by Zurmont benefit from good market positioning in Switzerland and in Germany, where industrial and manufacturing activities have been robust. Aravis Biotech II Limited Partnership, the Fund s other private equity fund investment, will benefit from the emergence of a new cycle of growth and the recognition of the need for innovative approaches in healthcare. Aravis is well positioned to capture this trend. The first quarter continued to see a long waiting list of initial public offerings in the U.S., which is a good indicator of investors appetites for riskier assets. Refinancing conditions seem also to be less challenging for quality companies. Novimmune, one of the Fund s private

equity investments, closed a USD 66 million equity-financing round in February 2014 with a broad base of new institutional investors. The performance of the Fund s private equity holdings will depend on overall market conditions. Fund management continues to see some exit opportunities for private equity holdings in 2014.

Macro-Economic Insights

The worldwide economy faced a slowdown during the first quarter of 2014, within an ongoing expansion cycle. Global trade has failed to rebound as sharply as expected because of the Eurozone s fragile recovery and slowing growth in emerging economies.

From a leading indicators perspective, the Global Composite PMI (Purchasing Managers Index) improved in March, rising to a 53.5 composite reading as services sector growth accelerated, while the upturn in the

Letter to Stockholders (continued)

global manufacturing sector lost some traction at the end of the first quarter of 2014, reaching a five-month low of 52.4 in March. The decline in manufacturing activity was primarily due to the slowdown in Asia (China s HSBC PMI fell to 48.0), offsetting an acceleration in the U.S. (solid output and new order components). Within the Eurozone, slower growth in Germany, Austria, and the Netherlands was compensated by higher PMIs in France, Italy, Spain, and Ireland, all of which saw their indices rise to multi-year highs.

In the Eurozone, the peripheral economies have endured a dramatic internal devaluation, instead of a depreciation of the Euro, improving their competitiveness. For instance, wages in Spain have fallen more than 25% in real terms since the onset of the financial crisis. While Germany s economic perspective appears to be extremely robust, the outlook for France s economy remains challenging. Although France s economy seems to be moving out of recession in tandem with the rest of the Eurozone, there has been neither internal devaluation nor structural reform. As a result, the competitive position of France s economy has deteriorated, especially in relation to the rest of the Eurozone. However, the appointment of Manuel Valls as Prime Minister of France should favor market-oriented policies. From a monetary policy standpoint, and in light of the fact that the European Central Bank s (ECB) balance sheet has shrunk by 30% since June 2012, the ECB kept policy rates unchanged, while discussing the potential deployment of quantitative easing if deflation

fears escalate, the Euro surges higher, or bond yields at the periphery widen significantly. The ECB s more dovish stance will give further support to European equities, which also have been buoyed by very significant inflows since the middle of last year. As a result, the spread of the peripheral Eurozone government bond markets over French bonds has collapsed, illustrating, in particular, falling systemic risk in the Iberian Peninsula. Moreover, corporate earnings in the Eurozone have risen only by 10% since the low of the crisis, while they have already doubled in the U.S., suggesting a strong potential catch up in the second half of 2014. The International Monetary Fund recently raised its forecasts for Eurozone GDP growth to 1.2% in 2014 and 1.5% in 2015.

In Switzerland, GDP growth slightly disappointed in the last quarter of 2013, rising +0.2% quarter-on-quarter (QoQ) and +1.7% year-over-year. Consumer spending (+0.7% QoQ), gross fixed investments (+1.5% QoQ), investments in construction (+1.5% QoQ) and government expenditures (+0.6% QoQ) all contributed positively, while the negative surprise came from the exports of goods components (-1.7% QoQ), which was affected by the external demand of chemical and pharmaceutical products. When considering the Swiss leading indicators, the Manufacturing PMI surprised positively in February, rising to 57.6, while the normalization in March to 54.4 was the result of a drop in the sub-index on the backlog of orders from very elevated levels. Moreover, the Swiss Economic Institute (KOF) economic barometer dipped in

Letter to Stockholders (continued)

March, but the uptrend remained intact and consistent with above-trend real GDP growth. The decline in March in both indicators could also be explained by the referendum on changed migration standards and the resulting uncertainty regarding the future of the bilateral agreement with the European Union. Overall, Swiss economic activity remains encouraging, while the Swiss franc remains supported by Switzerland s large current account surplus, which is near a two-year high of 13% of GDP. On a positive note, the Swiss government reiterated that the economic upturn in Switzerland is likely to further strengthen in 2014 (+2.2% GDP growth expected) and 2015 (+2.7%).

The lack of domestic inflationary pressures, with the consumer price index (CPI) flat year-over-year in March and up only 0.4% over the previous month, as well as the disinflationary trend in the Eurozone, led Swiss National Bank (SNB) President Thomas Jordan to reiterate that the exchange rate cap at 1.20 EUR/CHF remained the right policy tool for the foreseeable future. He also stated that the SNB will not exclude additional easing measures, such as negative rates, to maintain appropriate monetary conditions.

Accommodative financial conditions continue to prevail globally, allowing a continuation of the rally in risky assets at the end of the first quarter, while economic data has disappointed market expectations since mid-January. For instance, Citigroup s economic surprise indices have rolled over, particularly in the U.S. (weather-related) and China, where activity data so far this year showed a

further slowdown in the economy, with exports, industrial production, retail sales and fixed asset investments all below market expectations. The emerging markets potential growth rate has faced downward revisions, and projected economic growth in 2014 should be similar to 2013.

Market outlook

Global equities outlook remains favorable, though fairly valued on an historical perspective. The risk of a short-lived pullback has increased after a strong market rally, which was mainly driven by re-rating and particularly bullish market sentiment, but does not seem poised to disrupt the upward secular trend.

The extended period of very low nominal interest rates that the developed markets are experiencing can lead to financial instability down the road. The reach for yield in a low return environment is an incentive to disregard credit risk and to increase leverage. The moral hazard is already at play in some parts of the fixed-income market, as participants appear to expect the same resolution as in the last financial crisis (*i.e.*, being bailed out at the expense of equity holders and tax payers) if renewed turmoil were to occur.

In the Eurozone, CPI inflation printed at 0.7% year-over-year in April, and services price inflation jumped to 1.6%. This should help alleviate some concern that Europe was on the brink of deflation. Nevertheless, in the European periphery, the sovereign bond spreads have tightened despite the crushing

Letter to Stockholders (continued)

debt load, as fixed-income investors were discounting deflation risk to remain a factor in the medium- to long-term. ECB outlook for the European economy remains cautious, while GDP for 2014 and 2015 is expected to grow by 1.2% and 1.7%, with an inflation rate of 0.8% and 1.0%, respectively. Unemployment rates are expected to remain above 11%. The Crimean crisis add to the uncertainty, linked to the risk further sanctions would bring to European economic outlook.

The quantitative easing tapering by the U.S. Federal Reserve should continue to redirect money flows into developed economies in general and Europe in particular, as this region s economic activity is rebounding from depressed levels and valuations remain relatively more attractive. The market should recognize the potential for margin improvement as long as deflation risks are contained. U.S. investors believe the ECB is ready to increase the money supply and counter the deflationary impact of a strong European currency. The missing link remains credit creation. European authorities are working on means to facilitate credit access for mid and small enterprises.

A better economic environment on both sides of the Atlantic should be supportive to value stocks, particularly in cyclical industries. This is expected to help stocks valuation in the Fund s recovery mid- and small-capitalization strategy. Furthermore, higher interest rates resulting from better economic conditions could bring additional volatility to the Fund s undervalued growth strategies, as they include companies whose

valuations predominantly are derived based on the present value of long-term developments, rather than on the current market value of their assets. These long-duration investments are typically more sensitive to discount rate changes. However, the bulk of the investments in this strategy are in the healthcare sector, which should benefit from increased risk aversion to a sell-off in the fixed-income markets.

The SNB exchange rate policy vis-à-vis the Euro continues to support the price of financial assets in Switzerland. As inflation remains very low, this policy is not expected to change. Upward pressure on the Swiss franc is dependent on the global level of risk aversion. Increased demand for safe assets is expected to trigger an appreciation of the Swiss franc and intervention from the SNB to counter it. The resulting expansionary monetary supply would support asset prices in the Swiss market.

On a more cautious note, the image of Switzerland as an island of stability in a volatile European environment has been tarnished of late. The February 9th popular initiative results, imposing limits on Swiss immigration policies, and the implications thereof on bilateral agreements with the European Union, coupled with the upward pressure on the corporate tax rate for foreign companies, make for a cautious outlook for new foreign direct investments. Retaliatory restrictions on access to the single European market for Swiss companies cannot be excluded and would be negatively perceived by the market.

Schedule of Investments by Industry (Unaudited)

March 31, 2014

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks 94.12%			
Banks 4.85%			
264,600	**Credit Suisse Group AG**		
	Registered Shares	$ 8,563,892	1.98%
	A global diversified financial services company with significant activity in private banking, investment banking and asset management. (Cost $6,066,474)		
600,500	**UBS AG**		
	Registered Shares	12,413,121	2.87%
	A global diversified financial service company with significant activity in private banking, investment banking, and asset management. (Cost $7,748,581)		
		20,977,013	4.85%
Biotechnology 15.45%			
247,000	**Actelion, Ltd.**[1]		
	Registered Shares	23,403,973	5.40%
	Focuses on the discovery, development and commercialization of treatments to serve critical, unmet medical needs. (Cost $13,748,460)		
63,800	**Basilea Pharmaceutica AG**		
	Registered Shares	7,287,508	1.68%
	Conducts research into the development of drugs for the treatment of infectious diseases and dermatological problems. (Cost $4,406,681)		

No. of Shares	Security	Fair Value	Percent of Net Assets
Biotechnology (continued)			
2,938,450	**Evolva Holding SA**[2]		
	Registered Shares	$ 4,557,284	1.05%
	Discovers and provides innovative, sustainable ingredients for health, nutrition and wellness. (Cost $2,344,607)		
14,418	**Galenica AG**		
	Registered Shares	13,963,434	3.23%
	Manufactures and distributes pharmaceutical products for the treatment of iron deficiency worldwide. Operates drug stores and drug distribution in Switzerland.		

	(Cost $14,336,835)		
150,500	**Lonza Group AG**[1]		
	Registered Shares	15,359,228	3.55%
	Produces organic fine chemicals, biocides, active ingredients, and biotechnology products. Operates production sites in Europe, the United States, and China.		
	(Cost $12,282,862)		
3,029	**NovImmune SA**[2,3]		
	Common Shares	2,324,857	0.54%
	Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders.		
	(Cost $1,551,109)		
		66,896,284	15.45%

See Notes to Schedule of Investments.

Schedule of Investments by Industry (Unaudited) March 31, 2014

(continued)

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Chemicals 2.48%			
28,405	**Syngenta AG**		
	Registered Shares	$ 10,749,750	2.48%
	Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers.		
	(Cost $9,441,976)		
		10,749,750	2.48%
Construction & Materials 0.92%			
1,435	**Belimo Holding AG**		
	Registered Shares	3,978,395	0.92%
	World market leader in damper and volume control actuators for ventilation and air-conditioning equipment.		
	(Cost $2,075,165)		
		3,978,395	0.92%
Financial Services 0.07%			
1,477	**Leonteq AG**		
	Registered Shares	306,653	0.07%
	A technology and service platform with a leading position in structured investment products in Switzerland.		
	(Cost $296,130)		
		306,653	0.07%
Food & Beverages 13.60%			
344	**Lindt & Sprungli AG[1]**		
	Registered Shares	20,269,655	4.68%
	Major manufacturer of premium Swiss chocolates.		
	(Cost $10,344,918)		

No. of Shares	Security	Fair Value	Percent of Net Assets
Food & Beverages (continued)			
512,200	**Nestle SA[1]**	$ 38,588,227	8.92%

	Registered Shares		
	Largest food and beverage processing company in the world.		
	(Cost $3,260,456)		
		58,857,882	13.60%
Industrial Goods & Services	**17.41%**		
598,000	**ABB, Ltd.[1]**		
	Registered Shares	15,434,879	3.57%
	One of the largest electrical engineering firms in the world. Active in industrial automation and in power transmission and distribution.		
	(Cost $13,234,881)		
14,760	**Bucher Industries AG**		
	Registered Shares	5,012,736	1.16%
	Manufactures food processing machinery, vehicles, and hydraulic components. Produces fruit and vegetable juice processing machinery, farming machinery and outdoor equipment.		
	(Cost $3,630,879)	&nbs	