

BADGER METER INC
Form PRE 14A
March 10, 2008

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No. ____)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☒ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

☐ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

Badger Meter, Inc.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

PRELIMINARY NOTICE SUBJECT TO CHANGE DATED MARCH 7, 2008

BADGER METER, INC.
4545 West Brown Deer Road
Milwaukee, Wisconsin 53223
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
April 25, 2008

The Annual Meeting of the shareholders of Badger Meter, Inc. will be held at **Badger Meter, Inc.**, 4545 West Brown Deer Road, Milwaukee, Wisconsin 53223, on Friday, April 25, 2008, at 8:30 a.m., local time, for the following purposes:

1. To elect three directors to three-year terms;
2. To consider approval of the Badger Meter, Inc. 2008 Restricted Stock Plan;
3. To approve an amendment to our Restated Articles of Incorporation to declassify the Board of Directors; and
4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

Holders of record of our common stock at the close of business on February 29, 2008, are entitled to notice of and to vote at the meeting and any adjournments or postponements thereof. Shareholders are entitled to one vote per share.

Please vote the enclosed proxy form, sign and return it in the envelope provided. You retain the right to revoke the proxy at any time before it is actually voted.

By Order of the Board of Directors

William R. A. Bergum, *Secretary*

March __, 2008

PRELIMINARY PROXY STATEMENT SUBJECT TO CHANGE DATED MARCH 7, 2008

BADGER METER, INC.
4545 West Brown Deer Road
Milwaukee, Wisconsin 53223
PROXY STATEMENT

To the Shareholders of

BADGER METER, INC.

We are furnishing you with this Proxy Statement in connection with the solicitation of proxies by the Board of Directors of Badger Meter, Inc. to be used at our Annual Meeting of Shareholders (referred to as the annual meeting), which will be held at 8:30 a.m., local time, on Friday, April 25, 2008, at Badger Meter, Inc., 4545 West Brown Deer Road, Milwaukee, Wisconsin 53223, and at any adjournments or postponements thereof.

If you execute a proxy, you retain the right to revoke it at any time before it is voted by giving written notice to us or in open meeting, or by submitting a valid proxy bearing a later date. Unless you revoke your proxy, your shares will be voted at the annual meeting.

Since you were a shareholder of record as of the close of business on February 29, 2008, you are entitled to notice of, and to vote at, the annual meeting. As of the record date, we had 14,540,021 shares of common stock outstanding and entitled to vote. You are entitled to one vote for each of your shares.

We commenced mailing this Proxy Statement on or about March ___, 2008.

NOMINATION AND ELECTION OF DIRECTORS

You and other holders of the common stock are entitled to elect three directors at the annual meeting. Directors will be elected by a plurality of votes cast at the annual meeting (assuming a quorum is present). If you do not vote your shares at the annual meeting, whether due to abstentions, broker nonvotes or otherwise, and a quorum is present, they will have no impact on the election of directors.

If you submit a proxy to us, it will be voted as you direct. If, however, you submit a proxy without specifying voting directions, it will be voted in favor of the election of each of the three nominees for director identified below. If your shares are held in street name by your broker, your broker may vote your shares in its discretion on the election of directors if you do not furnish instructions. Once elected, a director currently serves for a three-year term or until his successor has been duly appointed, or until his death, resignation or removal. However, if the proposal relating to declassification of our Board of Directors is approved, then beginning at the 2009 Annual Meeting of Shareholders all directors will be elected annually to one-year terms.

The nominees of the Board of Directors for director, together with certain additional information concerning each such nominee, are identified below. All of the nominees are current directors of our company. If any nominee is unable or unwilling to serve, the named proxies have discretionary authority to select and vote for substitute nominees. The Board of Directors has no reason to believe that any of the three nominees will be unable or unwilling to serve.

**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS
TERMS EXPIRING AT THE 2011 ANNUAL MEETING**

Name	Age	Business Experience During Last Five Years	Director Since
Ronald H. Dix	63	Badger Meter, Inc.: Senior Vice President Administration. Formerly, Senior Vice President Administration and Secretary; Senior Vice President Administration/Human Resources and Secretary; and Vice President Administration/Human Resources.	2005
Thomas J. Fischer.	60	Fischer Financial Consulting LLC (an accounting and financial consulting firm): Principal. Formerly, Arthur Andersen LLP Milwaukee Office: Retired Managing Partner.	2003
Richard A. Meeusen	53	Badger Meter, Inc.: Chairman, President and Chief Executive Officer. Formerly, President and Chief Executive Officer.	2001

THE BOARD UNANIMOUSLY RECOMMENDS THAT OUR SHAREHOLDERS VOTE FOR EACH NOMINEE IDENTIFIED ABOVE.

The directors who are not up for election this year, together with certain additional information about each, are identified below:

**MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE
TERMS EXPIRING AT THE 2009 ANNUAL MEETING**

Name	Age	Business Experience During Last Five Years	Director Since
Ulice Payne, Jr.	52	Addison-Clifton LLC (an export consulting firm): President. Formerly, Milwaukee Brewers Baseball Club: President and Chief Executive Officer. Formerly, Foley & Lardner LLP (a law firm): Managing Partner, Milwaukee Office.	2000
Andrew J. Policano.	58	Paul Merage School of Business, University of California Irvine: Dean. Formerly, University of Wisconsin: Professor and Dean of the School of Business.	1997
Steven J. Smith.	58	Journal Communications, Inc. (a diversified media and communications company): Chairman and Chief Executive Officer. Formerly, Journal Communications, Inc.: President.	2000

**MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE
TERMS EXPIRING AT THE 2010 ANNUAL MEETING**

Name	Age	Business Experience During Last Five Years	Director Since
Kenneth P. Manning	66	Sensient Technologies Corporation (an international producer of flavors, colors and inks): Chairman, President and Chief Executive Officer.	1996
John J. Stollenwerk.	68	Allen-Edmonds Shoe Corporation (a manufacturer and marketer of shoes): Chairman.	1996

Certain of our directors also serve as directors of the following companies, some of which are publicly-held. Mr. Fischer is a director of Actuant Corporation, Regal-Beloit Corporation and Wisconsin Energy Corporation. Mr. Manning is a director of Sensient Technologies Corporation and Sealed Air Corporation. Mr. Meeusen is a director of Menasha Corporation and First Wisconsin Bank and Trust. Mr. Payne is a director of Manpower Inc., The Northwestern Mutual Life Insurance Company and Wisconsin Energy Corporation. Mr. Policano is a director of Rockwell-Collins, Inc. Mr. Smith is a director of Journal Communications, Inc. Mr. Stollenwerk is a director of Allen-Edmonds Shoe Corporation, The Northwestern Mutual Life Insurance Company and Koss Corporation.

Independence, Committees, Meetings and Attendance

Our Board of Directors has three standing committees: Audit and Compliance Committee, Corporate Governance Committee and Employee Benefit Plans Committee. The Board of Directors has adopted written charters for each committee, which are available on our website at www.badgermeter.com under the selection Company Investors Corporate Governance Committees of the Board.

Our Board of Directors has affirmatively determined that all of the directors (other than Mr. Meeusen and Mr. Dix) are independent as defined in the listing standards of the American Stock Exchange. None of the independent directors had any transactions, relationships or arrangements with the company that were not otherwise disclosed in this proxy statement, and were considered by the Board in making the independence determination.

The current committee assignments are:

Director	BOARD COMMITTEE		
	Audit and Compliance	Corporate Governance	Employee Benefit Plans
Richard A. Meeusen			
Richard H. Dix			
Thomas J. Fischer	X*		X
Kenneth P. Manning	X	X*	
Ulice Payne, Jr.	X	X	
Andrew J. Policano		X	X
Steven J. Smith	X		X*
John J. Stollenwerk		X	X

*Chairman of the Committee

The Audit and Compliance Committee (referred to as the Audit Committee) met five times in 2007. The Audit Committee oversees our financial reporting process on behalf of the Board of Directors and reports the results of their activities to the Board. The activities of the Audit Committee include employing an independent registered public accounting firm for us, discussing with the independent registered public accounting firm and internal auditors the scope and results of audits, monitoring our internal controls and preapproving and reviewing audit fees and other services performed by our independent registered public accounting firm. The committee also monitors our compliance with our policies governing activities which include but are not limited to our code of conduct and its environmental, safety, diversity, product regulation and quality processes. The Board of Directors has determined that each member of the committee qualifies as an audit committee financial expert as defined by Securities and Exchange Commission rules.

The Corporate Governance Committee (referred to as the Governance Committee) met three times in 2007 and once in February 2008. The Governance Committee reviews and establishes all forms of compensation for our officers and directors and administers our compensation plans, including the various stock plans. The committee also reviews the various management development and succession programs and adopts and maintains our Principles of Corporate Governance. In addition, the committee selects nominees for the Board of Directors.

The Employee Benefit Plans Committee met three times in 2007. The Employee Benefit Plans Committee oversees the administration of our pension plan, employee savings and stock ownership plan, health plans and other benefit plans.

The Board of Directors held five meetings in 2007. Mr. Stollenwerk currently serves as lead outside director of the Board. The lead outside director chairs executive sessions of the Board of Directors and, when necessary, represents the independent directors. During 2007, all directors attended at least 75% of the meetings of the Board of Directors and meetings of the committees held in 2007 on which they served during the period. All members of the Board of Directors attended the 2007 Annual Meeting of Shareholders. It is the Board of Directors' policy that all directors attend the Annual Meeting of Shareholders, unless unusual circumstances prevent such attendance.

Nomination of Directors

The Governance Committee has responsibility for selecting nominees for our Board of Directors. All members of the Governance Committee meet the definition of independence set forth by the American Stock Exchange. The Board of Directors has adopted a policy by which the Governance Committee will consider nominees for Board positions, as follows:

The Governance Committee will review potential new candidates for Board of Directors positions.

The Governance Committee will review each candidate's qualifications in light of the needs of the Board of Directors and the company, considering the current mix of director attributes and other pertinent factors.

The minimum qualifications required of any candidate include the highest ethical standards and integrity, and sufficient experience and knowledge commensurate with our needs.

The specific qualities and skills required of any candidate will vary depending on our specific needs at any point in time.

No candidate, including current directors, may stand for reelection after reaching the age of 72.

There are no differences in the manner in which the Governance Committee evaluates candidates recommended by shareholders and candidates identified from other sources.

To recommend a candidate, shareholders should write to the Board of Directors, c/o Secretary, Badger Meter, Inc., P.O. Box 245036, Milwaukee, WI 53224-9536, via certified mail. Such recommendation should include the candidate's name and address, a brief biographical description and statement of qualifications of the candidate and the candidate's signed consent to be named in the proxy statement and to serve as a director if elected.

To be considered by the Governance Committee for nomination and inclusion in our proxy statement, the Board of Directors must receive shareholder recommendations for director no later than October 15 of the year prior to the relevant Annual Meeting of Shareholders.

During 2007, and as of the date of this proxy statement, the Governance Committee did not pay any fees to third parties to assist in identifying or evaluating potential candidates. Also, the Governance Committee has not received any shareholder nominees for consideration at the 2008 Annual Meeting of Shareholders.

Communications with the Board of Directors

If you want to communicate with members of the Board of Directors, you should write to the Board of Directors, c/o Secretary, Badger Meter, Inc., P.O. Box 245036, Milwaukee, WI 53224-9536, via certified mail. Our process for determining how and which communications will be relayed to the Board of Directors has been approved by all of our independent directors.

Principles of Corporate Governance

Our Board of Directors has adopted the following Principles of Corporate Governance:

A majority of the members of Board of Directors are independent directors.

All directors are selected on the basis of their ability to contribute to positive corporate governance through their values, knowledge and skills.

The Board of Directors has established a committee of independent directors who are responsible for nominating directors and assuring compliance with these corporate governance principles (the Governance Committee).

The Board of Directors has established the Audit Committee, which is composed entirely of independent directors who are responsible for overseeing the audit functions and financial reporting compliance of the company. Members of the Audit Committee have the skills, experience and financial expertise to fulfill this function.

The Board of Directors and committees have authority to directly hire outside consultants as needed to properly fulfill their responsibilities.

The independent members of the Board of Directors hold regular executive sessions without the presence of management or non-independent directors.

The Board of Directors has designated an independent director as the lead outside director to chair executive sessions and, when necessary, represent the independent directors.

The Board of Directors has reviewed and approved our Code of Business Conduct.

The Board of Directors has created an environment to promote effective corporate governance and to represent the interests of the shareholders in all matters.

RELATED PERSON TRANSACTIONS

We had no transactions during 2007, and none are currently proposed, in which we were a participant and in which any related person had a direct or indirect material interest. Our Board of Directors has adopted policies and procedures regarding related person transactions. For purposes of these policies and procedures:

A related person means any of our directors, executive officers or nominees for director or any of their immediate family members; and

A related person transaction generally is a transaction (including any indebtedness or a guarantee of indebtedness) in which we were or are to be a participant and the amount involved exceeds \$120,000, and in which a related person had or will have a direct or indirect material interest.

Each of our executive officers, directors or nominees for director is required to disclose to the Governance Committee certain information relating to related person transactions for review, approval or ratification by the Governance Committee. Disclosure to the Governance Committee should occur before, if possible, or as soon as practicable after the related person transaction is effected, but in any event as soon as practicable after the executive officer, director or nominee for director becomes aware of the related person transaction. The Governance Committee's decision whether or not to approve or ratify a related person transaction is to be made in light of the Governance Committee's determination that consummation of the transaction is not or was not contrary to our best interests. Any related person transaction must be disclosed to the full Board of Directors.

STOCK OWNERSHIP OF BENEFICIAL OWNERS HOLDING MORE THAN FIVE PERCENT

Amount and Nature of Beneficial Ownership of Common Stock

Name	Aggregate Number of Shares and Percent of Common Stock Beneficially Owned
AMVESCAP PLC 30 Finsbury Square London EC2A 1AG England	1,398,827 (1) 9.6%
Marshall & Ilsley Corporation 770 North Water Street Milwaukee, WI 53202	1,050,234 (2) 7.2%
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	795,688 (3) 5.5 %

(1) Information shown is based on a jointly filed Schedule 13G filed with the Securities and Exchange Commission by AMVESCAP PLC and

PowerShares
Capital
Management,
LLC. The
Schedule 13G
indicates that
such parties
have sole voting
and dispositive
power over all
of such shares.

- (2) Information
shown is based
on a jointly filed
Schedule 13G
filed with the
Securities and
Exchange
Commission by
Marshall &
Ilsley
Corporation,
Marshall &
Ilsley Trust
Company N.A.
and M&I
Investment
Management
Corp. The
Schedule 13G
indicates that
Marshall &
Ilsley
Corporation has
sole voting
power over
93,597 of such
shares and sole
dispositive
power over
92,797 of such
shares, and that
it has shared
voting power
over 956,637 of
such shares and
shared
dispositive
power over
957,437 of such

shares. The
Schedule 13G
indicates

that Marshall & Ilsley Trust Company N.A. has sole voting power over 92,852 of such shares and sole dispositive power over 92,052 of such shares, and that it has shared voting power over 956,637 of such shares and shared dispositive power over 957,437 of such shares. The Schedule 13G indicates that M&I Investment Management Corp. has sole voting power over 745 of such shares and sole dispositive power over 745 of such shares, and that it has no shared voting or dispositive power over any of such shares.

- (3) Information shown is based on a jointly filed Schedule 13G filed with the Securities and Exchange Commission by T. Rowe Price Associates, Inc. and T. Rowe Price Small-Cap Value Fund, Inc. The Schedule 13G indicates that T. Rowe Price Associates, Inc. has sole voting power over 100,000 of such shares and sole dispositive power over all of such shares, and that it has no shared voting or dispositive power over any of the shares. The Schedule 13G indicates that T. Rowe Price Small-Cap Value Fund, Inc. has sole voting power over 90,000 of such shares, and sole dispositive power over 795,688 of such shares and no shared voting or dispositive power over any of the shares.

STOCK OWNERSHIP OF MANAGEMENT

The following table sets forth, as of February 29, 2008, the number of shares of common stock beneficially owned and the number of exercisable options outstanding by (i) each of our directors, (ii) each of the executive officers named in the Summary Compensation Table set forth below (referred to as the named executive officers), and (iii) all of our directors and executive officers as a group. Securities and Exchange Commission rules define beneficial owner of a security to include any person who has or shares voting power or investment power with respect to such security.

Amount and Nature of Beneficial Ownership of Common Stock

	Aggregate Number of Shares and Percent of Common Stock Beneficially Owned(1)
Ronald H. Dix	217,961(2) 1.5%
Thomas J. Fischer	48,866 *
Kenneth P. Manning	60,066 *
Richard A. Meeusen	201,847(3) 1.4%
Ulice Payne, Jr.	17,666 *
Andrew J. Policano	23,177(4) *
Steven J. Smith	50,866 *
John J. Stollenwerk	78,443(5) *

	Aggregate Number of Shares and Percent of Common Stock Beneficially Owned(1)
Horst E. Gras	29,360(6) *
Richard E. Johnson	135,425(7) *
Dennis J. Webb	75,364(8) *
All Directors and Executive Officers as a Group (16 persons, including those named above)	1,149,895 7.8%

* Less than one
percent

(1) Unless
otherwise
indicated, the
beneficial owner
has sole
investment and
voting power
over the
reported shares,
which include
shares from
stock options
currently
exercisable or
exercisable
within 60 days
of February 29,
2008.

(2) Ronald H. Dix
has sole
investment
power over
52,000 shares he
holds directly,
92,600 shares he
owns with his
spouse, 13,141
shares in our
Employee

Savings and
Stock
Ownership Plan,
52,720 shares
subject to stock
options which
are currently
exercisable or
exercisable
within 60 days
of February 29,
2008, and 7,500
shares of
restricted stock.

- (3) Richard A.
Meeusen has
sole investment
power over
110,264 shares
he holds
directly, 3,363
shares in our
Employee
Savings and
Stock
Ownership Plan,
77,320 shares
subject to stock
options which
are currently
exercisable or
exercisable
within 60 days
of February 29,
2008, and
10,900 shares of
restricted stock.

- (4) Does not
include deferred
director fee
holdings of 475
phantom stock
units held by
Mr. Policano
under the
Badger Meter
Deferred
Compensation
Plan for

Directors. The value of the phantom stock units is based upon and fluctuates with the market value of the common stock. When a participant chooses to exit the plan, all compensation accrued is paid out only in cash.

- (5) Does not include deferred director fee holdings of 19,416 phantom stock units held by Mr. Stollenwerk under the Badger Meter Deferred Compensation Plan for Directors. The value of the phantom stock units is based upon and fluctuates with the market value of the common stock. When a participant chooses to exit the plan, all compensation accrued is paid out only in cash.

- (6) Horst E. Gas has sole investment power over 18,520 shares he holds directly

and 6,040 shares
subject to stock
options which
are currently
exercisable or
exercisable
within 60 days
of February 29,
2008, and 4,800
shares of
restricted stock.

(7) Richard E.
Johnson has
sole investment
power over
28,000 shares he
holds directly in
an IRA, 66,192
shares he owns
with his spouse,
1,613 shares in
our Employee
Savings and
Stock
Ownership Plan,
31,720 shares
subject to stock
options which
are currently
exercisable or
exercisable
within 60 days
of February 29,
2008, and 7,900
shares of
restricted stock.

(8) Dennis J. Webb
has sole
investment
power over
55,100 shares he
holds directly,
13,731 shares in
our Employee
Savings and
Stock
Ownership Plan,
600 shares
subject to stock

options which
are currently
exercisable or
exercisable
within 60 days
of February 29,
2008, and 5,933
shares of
restricted stock.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Policies and Procedures

Our executive compensation program for all elected officers, including each named executive officer, is administered by the Governance Committee. The Governance Committee is composed of four independent non-employee directors Messrs. Manning (Chairman), Payne, Policano and Stollenwerk.

The compensation policies that guide the Governance Committee as it carries out its duties include the following:

Executive pay programs should be designed to attract and retain qualified executive officers, as well as motivate and reward performance.

The payment of annual incentive compensation should be directly linked to the attainment of performance goals approved by the Governance Committee.

Incentive programs should be designed to enhance shareholder value by utilizing stock options, restricted stock and long-term cash incentives in order to ensure that our executives are committed to our long-term success.

The Governance Committee should attempt to achieve a fair and competitive compensation structure by implementing both short-term and long-term plans with fixed and variable components.

In making its decisions and recommendations regarding executive compensation, the Governance Committee reviews, among other things:

Compensation data obtained through an independent executive compensation consulting firm for competitive businesses of similar size and similar business activity. The data considered includes information relative to both base salary and bonus data separately and on a combined basis, as well as total cash and long-term incentive compensation.

Our financial performance as a whole and for various product lines relative to the prior year, our budget and other meaningful financial data, such as sales, return on assets, return on equity, cash generated from operations and financial position.

The recommendations of the President and Chief Executive Officer with regard to the other officers.

Total Compensation

We strive to compensate our executives at competitive levels, with the opportunity to earn above-median compensation for above-market performance, through programs that emphasize performance-based incentive compensation in the form of annual cash payments, equity-based awards and a long-term incentive program. To that end, total executive compensation is tied to our performance and is structured to ensure that, due to the nature of our business, there is an appropriate balance focused on our long-term versus short-term performance, and also a balance between our financial performance, individual performance of our executive officers and the creation of shareholder value. We believe that the total compensation paid or awarded to our named executive officers during 2007 was consistent with our financial performance and the individual performance of each of the named executive officers. Based on our analysis and the advice of our independent executive compensation consultants, we also

believe that the compensation was reasonable in its totality and is consistent with our compensation philosophies as described above. The consultant was paid a fixed fee for this service.

To the extent that base salaries and equity grants vary by professional role in the market place, as demonstrated by the competitive market data supplied by our independent executive compensation consultants, the base salaries and equity grants of the named executive officers will vary, sometimes significantly. For example, consistent with the level of responsibility and the executive compensation practices of the companies in the market comparisons, Chief Executive Officers typically earn significantly more in base salary and equity grants than other named executive officers.

As noted above, our Chief Executive Officer serves in an advisory role to the Governance Committee with respect to executive compensation for named executive officers other than himself (the Chief Executive Officer does not participate in determining or recommending compensation for himself or for the outside directors). His recommendations are given significant weight by the Governance Committee, but the Governance Committee remains responsible for all decisions on compensation levels for the named executive officers and on our executive compensation policies and executive compensation programs. The executive compensation consultant does not make specific recommendations on individual compensation amounts for the named executive officers or the outside directors, nor does the consultant determine the amount or form of executive and director compensation. All decisions on executive compensation levels and programs are made by the Governance Committee.

Elements of Compensation

The compensation program for our executive officers involves base salaries, benefits, short-term annual cash incentive bonuses and a long-term incentive program using stock options, restricted stock and cash incentives.

Base Salary. Salary rates and benefit levels are established for each officer by the Governance Committee, using data supplied by an independent executive compensation consulting firm on organizations of similar size and business activity. The compensation data incorporates privately-held as well as publicly-held companies of similar size, and has a broad definition of similar business activity, thereby providing a more comprehensive basis for evaluating compensation relative to those companies that compete with us for executives. The data includes salaries, benefits, total cash compensation, long-term incentive compensation and total compensation. In establishing the compensation of each officer, including the President and Chief Executive Officer, the Governance Committee is given a five-year history, which sets forth the base salary, short-term incentive awards, and long-term compensation of each officer. Our policy is to pay executives at market, with appropriate adjustments for performance and levels of responsibility. The Governance Committee has consistently applied this policy and procedure with respect to base salaries for the past 17 years.

Base salary increases for our executive officers approved as of February 1, 2008, by the Governance Committee ranged from 2.8% to 12.5% percent. The President and Chief Executive Officer's compensation increased 6.5% percent. The other named executive officers received base salary increases of 5.2% each for Messrs. Johnson and Dix, 2.8% for Mr. Gras and 5.0% for Mr. Webb. These increases were based on an evaluation of the factors set forth above relative to each individual's circumstances and performance and are believed to be fair and competitive. The Governance Committee believes that each of these individual increases is appropriate and necessary to maintain competitive salary levels and to recognize the contribution of each named executive officer to our financial success.

Annual Bonus Plan. Our annual bonus plan is designed to promote the maximization of shareholder value over the long term. The plan is intended to provide a competitive level of compensation when the executive officers achieve their performance objectives. Under the annual bonus plan, the target bonus is 60% of the President and Chief Executive Officer's base salary and 35% - 55% of the base salary for all other named executive officers. The targets set pursuant to the bonus plan are comprised of two components - a financial factor based on the attainment of a certain level of earnings before interest and taxes and individual performance.

The Governance Committee approves the target level of earnings used for the financial component of the determination of an executive's bonus at the beginning of each year. For 2007, the financial

factor was based on achieving an increase in adjusted Earnings Before Interest and Taxes (EBIT) of 24.6% over the 2006 adjusted EBIT, at which point the maximum bonus could be paid. No bonus was to be paid if 2007 adjusted EBIT did not increase over the 2006 adjusted EBIT, and the bonus was to be pro-rated for any increase up to 24.6%. The Governance Committee has the discretion to adjust these EBIT factors based on unusual events, such as acquisitions or losses on discontinued operations. For 2007, the Governance Committee decided that the results of discontinued operations would not be included in the 2007 EBIT calculation for the executive officers. The Governance Committee believes that such an adjustment was appropriate for the executive officers in light of their overall contribution to our positive performance in 2007 and the fact that the discontinued operations was an unusual event. Bonuses paid for 2007 were approximately 66% of target bonus amounts.

The target bonus may also be adjusted up or down 10 percent at the discretion of the Governance Committee. Further, the Governance Committee has the authority to adjust the total amount of any yearly bonus award on a discretionary basis. Several increase adjustments were made for 2007 within these guidelines.

Long-Term Incentive Plan (referred to as LTIP). Our long-term incentive compensation program consists of a combination of stock option awards, restricted stock awards and cash incentives. This program presents an opportunity for officers and other key employees to gain or increase their equity interests in our stock. Each executive officer is expected to hold common stock equal to at least two-times his or her annual base salary. Although no formal deadline has been established, new officers are generally expected to achieve this level of stock ownership within a reasonable time, but in any event, within six years of joining us. Each named executive officer has achieved the targeted level of stock ownership.

Stock options and restricted stock awards are granted annually to the officers and other key employees at amounts determined each year by the Governance Committee. All of the stock options and restricted stock awards are granted at the market price on the date of grant. Since 2003, the Governance Committee has granted all such annual awards on the first Friday of May in each year, and has priced all such awards at the closing price of the common stock on that date. The Governance Committee has established that date to avoid any inference of timing such awards to the release of material non-public information. If material non-public information is pending on the first Friday of May in any year, then the Governance Committee will select a new date for awarding stock options and restricted stock for that year.

In addition to stock options and restricted stock awards, our LTIP provides a cash bonus to all officers, including the named executive officers. The current LTIP is based on a three-year performance period (2006-2008), and provides for the payment of a cash bonus in May of 2009 if certain diluted earnings per share targets for the combined three year period are met. For the 2006-2008 period, no incentive will be paid if the combined diluted earnings per share is below \$3.415, and the full incentive will be paid if the combined diluted earnings per share reaches or exceeds \$3.795. The incentive payment will be prorated for any earnings per share amount between these targets. The Governance Committee may, at its discretion, adjust these targets or the achieved earnings per share for unusual factors, such as acquisitions or losses on discontinued operations. For 2006 and 2007, the Governance Committee has determined that certain write-downs and charges in connection with the liquidation of a French subsidiary will not be included in the final incentive calculation. Additionally, all earnings per share amounts in this discussion have been adjusted for the June 15, 2006 two-for-one stock split.

Other Benefits

Salary Deferral Plan. All executive officers, except Mr. Gras, are eligible to participate in a salary deferral plan described in Note 1 of the Nonqualified Deferred Compensation Table below. The Governance Committee believes that it is appropriate to offer this program to enable the officers to better manage their taxable income and retirement planning. Based on its analysis and the advice of our independent executive compensation consultants, the Governance Committee believes that this program is competitive with comparable programs offered by other companies.

Supplemental Retirement Plans. We offer various supplemental retirement plans to certain employees, including certain named executive officers. The purpose of these plans is to compensate the employees for pension reductions caused by salary deferrals or by regulatory limitations on qualified plans. Also, there are nonqualified supplemental executive retirement plans for Messrs. Meeusen, Dix and Johnson, which are designed to enhance their regular retirement programs. The Governance Committee believes that these supplemental retirement plans are appropriate to attract and retain qualified executives. For more information on these plans, see the narrative discussion that follows the Pension Benefits Table below.

Additional benefits. Each executive officer receives the use of a vehicle (or a car allowance) for both personal and business purposes. We also pay certain club dues for Mr. Meeusen and long-term disability benefits and tax gross-ups on life insurance benefits for Messrs. Meeusen, Dix and Johnson. All executive officers, except Mr. Gras, participate in the Badger Meter, Inc. Employee Savings and Stock Ownership Plan and other benefit and pension plans provided to all U.S. employees.

Section 162(m) Limitations. It is anticipated that all 2007 compensation to executive officers will be fully deductible under Section 162(m) of the Code and therefore the Governance Committee determined that a policy with respect to qualifying compensation paid to certain executive officers for deductibility is not necessary.

Potential Payments Upon Termination or Change-in-Control

We have entered into Key Executive Employment and Severance Agreements (each referred to as a KEESA) with all executive officers (except Mr. Gras), whose expertise has been critical to our success, to remain with us in the event of any merger or transition period. Each KEESA provides for payments in the event there is a change in control and (1) the named executive officer's employment with us terminates (whether by us, the named executive officer or otherwise) within 180 days prior to the change in control and (2) it is reasonably demonstrated by the named executive officer that (A) any such termination of employment by us (i) was at the request of a third party who has taken steps reasonably calculated to effect a change in control or (ii) otherwise arose in connection with or in anticipation of a change in control, or (B) any such termination of employment by the named executive officer took place because of an event that allowed the termination for good reason, which event (i) occurred at the request of a third party who has taken steps reasonably calculated to effect a change in control or (ii) otherwise arose in connection with or in anticipation of a change in control. For more information regarding the KEESAs, see the discussion in Potential Payments Upon Termination or Change-in-Control below.

Summary Compensation Table

The following table sets forth for each of the named executive officers: (1) the dollar value of base salary and bonus earned during each of the two years ended December 31, 2006 and December 31, 2007; (2) the dollar value of the compensation cost of all stock and option awards recognized over the requisite service period, computed in accordance with FAS 123R; (3) the dollar value of earnings for services pursuant to awards granted during the year under non-equity incentive plans; (4) the change in pension value and non-qualified deferred compensation earnings during the year; (5) all other compensation for the year; and (6) the dollar value of total compensation for the year. The named executive officers are our principal executive officer, principal financial officer, and each of our three other most highly compensated executive officers as of December 31, 2007 (each of whose total cash compensation exceeded \$100,000 for fiscal year 2007).

Summary Compensation Table (all amounts in \$)

Name & Principal Position	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan (4)	Change in Pension Value and Non-Qualified Deferred Compensation (5)	All Other Compensation (6)	Total
Richard A. Meeusen Chairman, President & CEO	2007	411,858	180,062	94,179	39,463	53,333	83,772	14,563	877,231
	2006	375,802	153,101	59,506	42,506	53,333	76,650	15,007	775,905
Richard E. Johnson Sr. Vice President Finance, CFO and Treasurer	2007	251,000	100,227	70,258	26,483	44,444	47,522	13,747	553,681
	2006	239,053	89,272	45,459	29,638	44,444	44,173	14,156	506,195
Ronald H. Dix Sr. Vice President Administration	2007	251,000	100,227	70,258	26,483	44,444	203,504	16,940	712,856
	2006	239,053	89,272	45,459	29,477	44,444	195,676	15,318	658,699
Horst E. Gras Vice President, International Operations	2007	288,228	100,288	43,051	13,019	35,556	57,415	13,742	551,299
	2006	280,957	0	29,666	17,540	35,556	61,035	11,287	436,041
Dennis J. Webb Vice President Sales & Marketing	2007	220,083	79,907	55,735	20,488	35,556	47,441	14,234	473,444
	2006	209,062	71,012	36,646	23,289	35,556	45,781	14,109	435,455

(1) Bonus amounts represent bonuses earned during 2007 that were paid in February of 2008 under the bonus program described above in the Compensation Discussion and Analysis.

(2) These amounts reflect the dollar value of the compensation

cost of all
outstanding
stock awards
recognized over
the requisite
service period,
computed in
accordance with
FAS 123 and
FAS 123R. The
assumptions
made in valuing
the stock awards
are included
under the
caption

Stock-Based
Compensation
Plans in Note 1
of Notes to
Consolidated
Financial
Statements in
the 2007 Annual
Report on Form
10-K and such
information is
incorporated
herein by
reference.

- (3) These amounts
reflect the dollar
value of the
compensation
cost of all
outstanding
option awards
recognized over
the requisite
service period,
computed in
accordance with
FAS 123 and
FAS 123R. The
assumptions
made in valuing
the option
awards are
included under
the caption

Stock-Based
Compensation
Plans in Note 1
of Notes to
Consolidated
Financial
Statements in
the 2006 Annual
Report on Form
10-K and such
information is
incorporated
herein by
reference.

(4) Non-Equity
Incentive Plan
Compensation
represents the
current year
earnings under
our LTIP, as
previously
described. The
plan has a total
target for the
three-year
period. These
amounts
represent
one-third of the
total payment,
assuming
achievement of
the three-year
earnings per
share target.

(5) Change in
Pension Value
and
Non-Qualified
Deferred
Compensation
includes the
2007 aggregate
increase in the
actuarial present
value of each
named
executive

officer s
accumulated
benefit under
our defined
benefit pension
plans and
supplemental
pension plans,
using the same
assumptions and
measurements
dates used for
financial
reporting
purposes with
respect to our
audited financial
statements. The
increases were
\$83,772 for
Mr. Meeusen,
\$46,942 for Mr.
Johnson,
\$203,200 for
Mr. Dix and
\$46,282 for
Mr. Webb.
Also, the
amounts include
\$580 for Mr.
Johnson, \$304
for Mr. Dix and
\$1,159 for
Mr. Webb,
representing
earnings on
deferred
compensation in
excess of 120%
of applicable
federal
long-term rates.

Mr. Gras, a
German resident
and citizen, is
not covered by
the defined
benefit pension
plan. The
Company,

through its European subsidiary, provides Mr. Gras with an insurance policy that provides benefits similar to those of the other named executives covered by the cash balance plan. The amount shown for Mr. Gras represents the translated value of the increase in policy value in 2007.

(6) All Other Compensation includes the following items:

- a. Contributions to the Badger Meter, Inc. Employee Savings and Stock Ownership Plan (ESSOP) for Messrs. Meeusen, Johnson, Dix, Webb and Zandron of \$3,875 each. Mr. Gras does not participate in the ESSOP.
-

- b. Dividends on restricted stock of \$2,233 for Mr. Meeusen, \$1,687 for Mr. Johnson, \$1,687 for Mr. Dix, \$1,124 for Mr. Gras and \$1,359 for Mr. Webb.
- c. Vehicle usage or allowance of \$4,386 for Mr. Meeusen, \$7,045 for Mr. Johnson, \$8,702 for Mr. Dix, \$12,618 for Mr. Gras and \$9,000 for Mr. Webb.
- d. Long-term disability benefits for Messrs. Meeusen, Johnson and Dix of \$676 each.
- e. Tax gross-up on life insurance benefits for Messrs. Meeusen, Johnson and Dix of \$792, \$464 and \$1,250, respectively.
- f. Club dues for Mr. Meeusen of \$2,602.

Grants of Plan-Based Awards

The following table sets forth information regarding all incentive plan awards that were granted to the named executive officers during 2007, including incentive plan awards (equity-based and non-equity based) and other plan-based awards. Disclosure on a separate line item is provided for each grant of an award made to a named executive officer during the year. Non-equity incentive plan awards are awards that are not subject to FAS 123(R) and are intended to serve as an incentive for performance to occur over a specified period. There are no equity incentive-based awards, which are equity awards subject to a performance condition or a market condition as those terms are defined by FAS 123(R).

Grants of Plan-Based Awards for 2007								
Name	Grant Date	Estimated Future Payouts Under			All Other Stock Awards: Number of Restricted Shares (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards (\$/share)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Richard A. Meeusen		0	160,000	160,000				
	May 4, 2007				2,100			\$ 52,374
	May 4, 2007					6,300	24.94	\$ 157,122
Richard E. Johnson		0	133,333	133,333				
	May 4, 2007				1,200			\$ 29,928
	May 4, 2007					3,600	24.94	\$ 89,784
Ronald H. Dix		0	133,333	133,333				
	May 4, 2007				800			\$ 19,952

Edgar Filing: BADGER METER INC - Form PRE 14A

Horst E. Gras	May 4, 2007	3,600	24.94	\$ 89,784
	May 4, 2007	0	106,667	106,667

60,000	Tecan Group AG³	8,424,931	2.41%
	Manufactures and distributes laboratory automation components and systems. The products are mainly used by research and diagnostic laboratories. (Cost \$5,908,100)		
		<hr/>	<hr/>
		17,737,984	5.08%

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

Personal & Household Goods 5.55%

139,000	Compagnie Financiere Richemont SA³	\$ 10,768,908	3.08%
	Manufactures and retails luxury goods. Produces jewelry, watches, leather goods, writing instruments and men's and women's wear. (Cost \$10,150,837)		
120,000	Swatch Group AG³	8,627,571	2.47%
	Manufactures finished watches, movements and components. Produces components necessary to its eighteen watch brand companies. The company also operates retail boutiques. (Cost \$11,111,863)		
		<hr/>	<hr/>
		19,396,479	5.55%

Pharmaceuticals 25.25%⁴

530,000	Novartis AG³	48,492,477	13.86%
	One of the leading manufacturers of branded and generic pharmaceutical products. (Cost \$10,426,545)		
151,500	Roche Holding AG³	39,848,019	11.39%
	Develops and manufactures pharmaceutical and diagnostic products. Produces prescription drugs to treat cardiovascular, infectious, autoimmune, and for other areas including dermatology and oncology. (Cost \$8,841,735)		
		<hr/>	<hr/>
		88,340,496	25.25%

See Notes to Schedule of Investments.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (Unaudited) (continued)

September 30, 2015

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Retail 1.14%			
34,125	Dufry AG¹ Operates duty-free shops in countries such as the Caribbean, France, Italy, Mexico, Russia, Singapore, the United Arab Emirates and the United States. (Cost \$4,944,396)	\$ 3,981,425	1.14%
		<hr/>	<hr/>
		3,981,425	1.14%
Technology 3.63%			
170,000	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 (PET). (Cost \$1,796,441)	2,018,217	0.58%
76,600	ams AG Develops and manufactures high-performance analog semiconductors. The company's product range includes sensor interfaces, power management ICs and wireless ICs for customers in the consumer, industrial, medical, mobile communications and automotive markets. (Cost \$3,279,979)	2,845,748	0.81%
No. of Shares	Security	Fair Value	Percent of Net Assets
Technology (continued)			
602,000	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 \$8,025,882)	\$ 7,824,583	2.24%
		<hr/>	<hr/>
		12,688,548	3.63%
Telecommunications 1.29%			
79,000	Sunrise Communications Group AG¹ Provides a broad range of telecommunications services and equipment. The company offers mobile and wired phone services, broadband internet, cable television services, mobile phones, tablet computers and related equipment. (Cost \$5,795,140)	4,519,599	1.29%
		<hr/>	<hr/>
		4,519,599	1.29%
Travel & Leisure 1.14%			
118,200	gategroup Holding AG Provides a wide range of services for airlines. The company specializes in catering and hospitality, provisioning and logistics, and onboard solutions to companies that serve people on the move. The company's other customers include railroads and hotels. (Cost \$3,847,274)	3,973,872	1.14%
		<hr/>	<hr/>
		3,973,872	1.14%

Edgar Filing: BADGER METER INC - Form PRE 14A

Total Common Stocks
(Cost \$212,706,277)

321,300,611

91.89%

See Notes to Schedule of Investments.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (Unaudited) (continued)

September 30, 2015

No. of Shares	Security	Fair Value	Percent of Net Assets
Preferred Stocks 1.14%			
Biotechnology 0.69%			
8,400	Ixodes AG, Series B^{1,2,5} 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)	\$ 695,057	0.20%
3,162	NovImmune SA, Series B^{1,2} Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost \$2,062,307)	1,705,429	0.49%
		<u>2,400,486</u>	<u>0.69%</u>
Industrial Goods & Services 0.13%			
250,447	SelFrag AG, Class A, Series C^{1,2,5}	230,684	0.06%
78,514	SelFrag AG, Class A, Series D^{1,2,5}	72,319	0.02%
171,902	SelFrag AG, Class A, Series E^{1,2,5} Designs, manufactures and sells industrial machines and processes using selective fragmentation technology. (Cost \$1,932,198)	158,338	0.05%
		<u>461,341</u>	<u>0.13%</u>
Medical Equipment 0.32%			
83,611	EyeSense AG, Series A Preferred^{1,2} A spin-out from Ciba Vision AG. Develops novel ophthalmic self-diagnostic systems for glucose monitoring of diabetes patients. (Cost \$3,007,048)	198,524	0.06%
No. of Shares	Security	Fair Value	Percent of Net Assets
Medical Equipment (continued)			
379,747	Kuros Biosurgery AG^{1,2} Develops biomaterials and bioactive biomaterial combination products for trauma, wound and spine indications. (Cost \$930,329)	\$ 921,093	0.26%
		<u>1,119,617</u>	<u>0.32%</u>
	Total Preferred Stocks (Cost \$10,184,024)	3,981,444	1.14%
Private Equity Limited Partnerships 2.10%			
Biotechnology 0.58%			
	Aravis Biotech II,	2,014,819	0.58%

Edgar Filing: BADGER METER INC - Form PRE 14A

Limited Partnership^{1,2,5}
(Cost \$2,918,672)

Diversified Industries 1.52%

Zurmont Madison Private Equity, Limited Partnership^{2,5}
(Cost \$8,514,955)

5,330,031 1.52%

Total Private Equity Limited Partnerships
(Cost \$11,433,627)

7,344,850 2.10%

Total Investments*
(Cost \$234,323,928)

332,626,905 95.13%

Other Assets Less Other Liabilities, net

17,026,209 4.87%

Net Assets

\$ 349,653,114 100.00%

Net Asset Value Per Share:

(349,653,114 ÷ 28,003,675 shares outstanding,

\$0.001 par value: 50 million shares authorized)

\$ 12.49

See Notes to Schedule of Investments.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (Unaudited) (continued)

September 30, 2015

¹ Non-income producing security.² 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 \$15,086,060 or 4.31% of the Fund's net assets. Additional information on these securities is as follows:

Security	Acquisition Date		Acquisition Cost
Aravis Biotech II, Limited Partnership	July 31, 2007	June 24, 2015	\$ 2,918,672
EyeSense AG Preferred Shares A	July 22, 2010	October 3, 2011	3,007,048
Ixodes AG Preferred Shares B	April 7, 2011	June 1, 2012	2,252,142
Kuros Biosurgery AG Common Shares	August 10, 2009	August 28, 2009	2,516,639
Kuros Biosurgery AG Preferred Shares	August 3, 2015		930,329
NovImmune SA Common Shares	October 7, 2009	December 11, 2009	1,551,109
NovImmune SA Preferred Shares B	October 7, 2009	December 11, 2009	2,062,307
Selfrag AG Class A Preferred Shares	December 15, 2011	January 28, 2014	1,932,198
Spineart SA Common Shares	December 22, 2010		2,623,329
Zurmont Madison Private Equity, Limited Partnership	September 13, 2007	June 30, 2015	8,514,955
			<u>\$ 28,308,728</u>

³ One of the ten largest portfolio holdings.⁴ The Fund has a fundamental investment policy that prohibits it from investing 25% or more of its total assets in a particular industry. As of September 30, 2015, the Fund had more than 25% of its total assets invested in the pharmaceuticals industry as a result of the appreciation of the value of its existing investments. The Fund will not invest in any additional companies in the industry until such time that the percentage of the Fund's total assets invested in that industry is below 25%.⁵ 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, as of the end of the reporting period, are as follows:

Name of Issuer	Fair Value as of 12/31/14	Gross		Fair Value as of 9/30/15
		Additions	Gross Reductions	
Aravis Biotech II, Limited Partnership	\$ 1,984,736	\$ 60,803	\$	\$ 2,014,819
Ixodes AG Preferred Shares B	683,480			695,057
Kuros Biosurgery AG Common Shares	686,439			306,049
Kuros Biosurgery AG Preferred Shares		930,329		921,093
Zurmont Madison Private Equity, Limited Partnership	12,978,154	195,187	(4,722,446)	5,330,031
	<u>\$ 16,332,809</u>	<u>\$ 1,186,319</u>	<u>\$ (4,722,446)</u>	<u>\$ 9,267,049</u>

* Cost for Federal income tax purposes is \$233,176,909 and net unrealized appreciation (depreciation) consists of:

Gross Unrealized Appreciation	\$ 127,034,233
Gross Unrealized Depreciation	(27,584,237)
Net Unrealized Appreciation (Depreciation)	<u>\$ 99,449,996</u>

See Notes to Schedule of Investments.

THE SWISS HELVETIA FUND, INC.

Schedule of Investments by Industry (Unaudited) (concluded)

September 30, 2015

PORTFOLIO HOLDINGS**% of Net Assets as of September 30, 2015**

Common Stocks	
Pharmaceuticals	25.25%
Food & Beverage	18.12%
Industrial Goods & Services	8.80%
Personal & Household Goods	5.55%
Biotechnology	5.19%
Medical Equipment	5.08%
Banks	3.74%
Chemicals	3.71%
Construction & Materials	3.66%
Technology	3.63%
Insurance	3.47%
Financial Services	2.12%
Telecommunications	1.29%
Retail	1.14%
Travel & Leisure	1.14%
Preferred Stocks	
Biotechnology	0.69%
Medical Equipment	0.32%
Industrial Goods & Services	0.13%
Private Equity Limited Partnerships	
Diversified Industries	1.52%
Biotechnology	0.58%
Other Assets Less Other Liabilities, net	4.87%
	<hr/>
	100.00%

See Notes to Schedule of Investments.

THE SWISS HELVETIA FUND, INC.

Notes to Schedule of Investments (Unaudited)

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.

Edgar Filing: BADGER METER INC - Form PRE 14A

Swiss exchange-listed options, including Eurex-listed options, if any, 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 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 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 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 SWISS HELVETIA FUND, INC.

Notes to Schedule of Investments (Unaudited) (continued)

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 \$15,086,060, or 4.31% of the Fund's net assets at September 30, 2015, 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 necessarily 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 September 30, 2015:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total
Investments in Securities				
Common Stock*	\$ 317,540,845	\$	\$ 3,759,766	\$ 321,300,611
Preferred Stock*			3,981,444	3,981,444
Private Equity Limited Partnerships			7,344,850	7,344,850
Total Investments in Securities	\$ 317,540,845	\$	\$ 15,086,060	\$ 332,626,905

* Please see the Schedule of Investments for industry classifications.

Level 3 securities, which are listed in Note 3 to the Schedule of Investments, consist of the Fund's investments in privately-held companies and private equity limited partnerships that invest 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

Edgar Filing: BADGER METER INC - Form PRE 14A

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.

The Fund values its Level 3 investments in the two private equity limited partnerships 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 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 partnerships and their portfolio holdings provided by the partnerships' general partners or managers, other available information about the partnerships' portfolio holdings, values obtained on redemption from other limited partners, discussions with the partnerships' general partners or managers and/or other limited partners and comparisons of previously-obtained estimates to the partnerships' 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.

THE SWISS HELVETIA FUND, INC.

Notes to Schedule of Investments (Unaudited) (continued)

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.

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 or private equity limited partnership. Not all of these factors may be considered or available, and other relevant factors may be considered on an investment-by-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 September 30, 2015	Valuation Technique	Unobservable inputs	Range ¹
Privately-held companies				
<i>Biotechnology</i>				
NovImmune SA Common Shares	\$1,633,695	Market approach	Recent round of financing	N/A
NovImmune SA Preferred Shares	1,705,429	Market approach	Recent round of financing	N/A
Ixodes AG Preferred Shares	695,057	Discounted cash flow	Discount rate	14%-16%
			Probability of success rate on research and development	40%-60%
<i>Industrial Goods & Services</i>				
SelFrag AG, Class A, Series C Preferred Shares	230,684	Market approach	Recent round of financing	N/A
SelFrag AG, Class A, Series D Preferred Shares	72,319	Market approach	Recent round of financing	N/A
SelFrag AG, Class A, Series E Preferred Shares	158,338	Market approach	Recent round of financing	N/A
<i>Medical Equipment</i>				
Kuros Biosurgery AG Common Shares	306,049	Market approach	Recent round of financing	N/A
Kuros Biosurgery AG Preferred Shares	921,093	Market approach	Subscription price	N/A
EyeSense AG Preferred Shares	198,524	Market approach	Recent round of financing	N/A
Spineart SA Common Shares	1,820,022	Market approach	2014 peer group revenue multiples	3.0x-4.0x
Private Equity Limited Partnerships				
<i>Biotechnology</i>				
Aravis Biotech II Limited Partnership	2,014,819	NAV as a practical expedient	N/A	N/A
<i>Diversified Industries</i>				
Zurmont Madison Private Equity, Limited Partnership	5,330,031	NAV as a practical expedient	N/A	N/A
Total	\$15,086,060			

¹ Significant changes in any of these ranges would result in a significantly higher or lower fair value measurement. Generally, a change in the probability of success rate on research and development is accompanied by a directionally similar change in fair value. Conversely, a change in the discount rate is accompanied by a directionally opposite change in fair value.

THE SWISS HELVETIA FUND, INC.

Notes to Schedule of Investments (Unaudited) (continued)

The Fund's policy is to disclose transfers between Levels based on their market prices at the reporting period end. There were no transfers between Levels for the period ended September 30, 2015.

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

	Common Stock	Preferred Stock	Private Equity Limited Partnerships	Total
Balance as of December 31, 2014	\$ 4,082,631	\$ 3,084,987	\$ 14,962,890	\$ 22,130,508
Change in Unrealized Appreciation/Depreciation*	(322,865)	(33,872)	(3,471,661)	(3,828,398)
Net Realized Gain (Loss)			320,077	320,077
Gross Purchases**		930,329	255,990	1,186,319
Gross Sales**			(4,722,446)	(4,722,446)
Balance as of September 30, 2015	\$ 3,759,766	\$ 3,981,444	\$ 7,344,850	\$ 15,086,060

* The noted amounts of change in unrealized appreciation/depreciation relate to the fair value of Level 3 assets held on September 30, 2015.

** For private equity limited partnership investments, represents contributions of capital or return of capital distributions received.

C. 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.

D. 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.

THE SWISS HELVETIA FUND, INC.

Notes to Schedule of Investments (Unaudited) (concluded)

Note 2 Capital Commitments

As of September 30, 2015, the Fund maintains illiquid investments in two private equity limited partnerships. These investments appear in the Fund's Schedule of Investments. The Fund's capital commitments for these partnerships are shown in the table below:

Investments	Original Capital Commitment*	Unfunded Commitment*	Fair Value as of September 30, 2015
Private Equity Limited Partnerships (a)			
Aravis Biotech II, Limited Partnership	\$ 3,326,169	\$ 267,424	\$ 2,014,819
Zurmunt Madison Private Equity, Limited Partnership	14,328,114	4,406,248 (b)(c)	5,330,031

* The original capital commitment represents 3,250,000 and 14,000,000 Swiss francs for Aravis Biotech II, LP and Zurmunt Madison Private Equity LP, respectively. The unfunded commitment represents 261,300 and 4,305,345 Swiss francs, respectively. The Swiss franc / U.S. dollar exchange rate as of September 30, 2015 was used for conversion and equals 0.9771.

(a) This category consists of two private equity limited partnerships that invest primarily in ventures, biotechnology and in management buyout of industrial and consumer goods companies. There is no redemption right for the interests in these two limited partnerships. Instead, the nature of the investments in this category is that distributions are received through the realization of the underlying assets of the limited partnership.

(b) Although the Fund's unfunded commitment amount generally cannot be used to fund new investments, the partnership may make capital calls up to the amount of the Fund's unfunded commitment for purposes of, among other things, meeting ongoing partnership expenses and obligations, paying the general partner's profit share, paying transaction costs and other costs related to the partnership's portfolio investments, and, to a limited extent, to make certain follow-on investments related to the portfolio investments.

(c) This amount does not reflect a capital call received by the Fund on October 15, 2015, in the amount of CHF 241,550 payable on or before October 29, 2015, to fund a guarantee and a follow-on investment with respect to a portfolio investment of the partnership. This capital call will reduce the unfunded commitment amount to 4,063,795 Swiss franc or \$4,159,037 (using the Swiss franc / U.S. dollar exchange rate of 0.9771).

THE SWISS HELVETIA FUND, INC.

Dividend Reinvestment Plan (Unaudited)

The Plan

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

Some of the Plan features are:

Once you enroll in the Plan, all of your future distributions and dividends payable in whole or in part in cash will be automatically reinvested in Fund shares in accordance with the terms of the Plan.

You will receive shares valued at the lower of the Fund's net asset value or the Fund's market price as described below. The entire amount of your distribution or dividend will be reinvested automatically in additional Fund shares. For any balance that is insufficient to purchase full shares of the Fund, your account will be credited with fractional shares.

Your shares will be held in an account with the Plan agent. You will be sent regular statements for your records.

You may terminate participation in the Plan at any time.

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

How do I enroll in the Plan?

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

your Plan shares to another broker who does not permit participation. Your brokerage firm will be able to advise you about its policies.

How does the Plan work?

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

If the net asset value is greater than the market price (the Fund is trading at a discount), AST, as Plan Agent, will buy Fund shares for your account on the open market on the New York Stock Exchange or elsewhere. Your dividends or distributions will be reinvested at the average price AST pays for those purchases.

If the net asset value is equal to the market price (the Fund is trading at parity), the Fund will issue for your account new shares at net asset value.

Edgar Filing: BADGER METER INC - Form PRE 14A

If the net asset value is less than but within 95% of the market price (the Fund is trading at a premium of less than 5%), the Fund will issue for your account new shares at net asset value.

If the net asset value is less than 95% of the market price (the Fund is trading at a premium of 5% or more), the Fund will issue for your account new shares at 95% of the market price.

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

THE SWISS HELVETIA FUND, INC.

Dividend Reinvestment Plan (Unaudited) (concluded)

asset value, AST will complete its purchases, even though the result may be that the average price paid for the purchases exceeds net asset value.

The stock portion of any dividends or distributions you receive is not subject to the Plan. When the Fund declares dividends or distributions payable either in (i) stock or (ii) stock or cash at the election of the stockholder, you will receive newly issued shares of the Fund (unless you elect to receive your dividend or distribution in cash) on terms and conditions that are otherwise identical to those of the Plan.

Will the entire amount of my distribution or dividend be reinvested?

The entire amount of your distribution or dividend, payable in cash, will be reinvested in additional Fund shares. If a balance remains after the purchase of whole shares, your account will be credited with any fractional shares (rounded to three decimal places) necessary to complete the reinvestment.

How can I sell my shares?

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

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

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

Can I get certificates for the shares in the Plan?

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

Is there any charge to participate in the Plan?

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

How can I discontinue my participation in the Plan?

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

Where can I direct my questions and correspondence?

Contact your broker, or contact AST as follows:

By mail:

American Stock Transfer & Trust Company

PO Box 922

Wall Street Station

New York, NY 10269-0560

Through the Internet:

www.amstock.com

Through AST's automated voice response System:

1-888-556-0425

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

THE SWISS HELVETIA FUND, INC.

Independent Directors and Officers

Brian A. Berris

Chairman (Non-executive)

Samuel B. Witt III, Esq.

Director

David R. Bock¹

Director

Jean-Marc Boillat²

Director

Richard A. Brealey^{2,3}

Director

Claus Helbig⁴

Director

R. Clark Hooper²

Director

Mark A. Hemenetz

President

Principal Executive Officer

Alan M. Mandel

Treasurer

Principal Financial Officer

¹ *Audit Committee Chair*

² *Audit Committee Member*

³ *Pricing Committee Chair*

Investment Adviser

Stephen M. DeTore

Chief Compliance Officer

Carin F. Muhlbaum

Vice President

William P. Sauer

Vice President

Abby L. Ingber

Chief Legal Officer

Secretary

David Marshall

Assistant Treasurer

Mark Tuttle

Assistant Secretary

Angel Lanier

Assistant Secretary

⁴ *Governance/Nominating Committee Chair*

Schroder Investment Management North America Inc.

Edgar Filing: BADGER METER INC - Form PRE 14A

875 Third Avenue, 22nd Floor

New York, NY 10022

(800) 730-2932

Investment Sub-adviser

Schroder Investment Management North America Ltd.

31 Gresham Street

London, EC2V 7QA

Administrator

Citi Fund Services Ohio, Inc. (through September 30, 2015)

JPMorgan Chase Bank, N.A. (effective October 1, 2015)

Custodian

Citibank, N.A. (through September 30, 2015)

JPMorgan Chase Bank, N.A. (effective October 1, 2015)

Transfer Agent

American Stock Transfer & Trust Company

59 Maiden Lane

Plaza Level

New York, NY 10038

(888) 556-0425

Legal Counsel

Stroock & Stroock & Lavan LLP

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

The Investment Adviser

The Swiss Helvetia Fund, Inc. (the Fund) is managed by Schroder Investment Management North America Inc. (SIMNA Inc.)

SIMNA Inc. is an investment adviser registered with the U.S. Securities & Exchange Commission (the SEC). It provides asset management products and services to a broad range of clients including Schroder Capital Funds (Delaware), Schroder Series Trust and Schroder Global Series Trust, investment companies registered with the SEC. SIMNA Inc. is part of a global asset management firm with approximately \$487 billion in assets under management as of June 30, 2015.

Executive Offices

The Swiss Helvetia Fund, Inc.

875 Third Avenue, 22nd Floor

New York, NY 10022

(800) 730-2932

For inquiries and reports:

(800) 730-2932

email: swzintermediary@schroders.com

Website Address

www.swzfund.com

The Fund

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

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

Net Asset Value is calculated daily by 6:15 P.M. (Eastern Time). The most recent calculation is available by accessing the Fund's website www.swzfund.com. 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*.

[THIS PAGE INTENTIONALLY LEFT BLANK]

THE SWISS HELVETIA FUND, INC.

Executive Offices

875 Third Avenue, 22nd floor

New York, NY 10022

(800) 730-2932

www.swzfund.com

SWZ QR 9-30-15

A SWISS INVESTMENTS FUND

WWW.SWZFUND.COM

QUARTERLY REPORT

For the Period Ended

September 30, 2015