

SWISS HELVETIA FUND INC  
Form N-30D  
May 29, 2001

THE SWISS  
HELVETIA  
FUND, INC.  
[www.swz.com](http://www.swz.com)

A Swiss  
Investments  
Fund

THE SWISS HELVETIA FUND, INC.  
Executive Offices  
The Swiss Helvetia Fund, Inc.  
1270 Avenue of the Americas  
Suite 400  
New York, NY 10020  
1-888-SWISS-00  
(212) 332-2760  
<http://www.swz.com>

Quarterly Report  
For the Period Ended  
March 31, 2001

THE SWISS HELVETIA FUND, INC.

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Directors and Officers

Paul Hottinguer  
Chairman and  
Chief Executive Officer  
Eric R. Gabus  
Vice Chairman (Non officer)  
Alexandre de Takacsy  
Director  
Claude Frey  
Director  
Baron Hottinger  
Director  
Claude Mosseri-Marlio  
Director  
Didier Pineau-Valencienne\*  
Director  
Stephen K. West, Esq.\*  
Director  
Samuel B. Witt III, Esq.\*\*  
Director  
Rodolphe E. Hottinger  
President and  
Chief Operating Officer  
Rudolf Millisits  
Senior Vice President

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Philippe Comby  
Vice President  
Sharon Kanovsky  
Vice President  
Edward J. Veilleux  
Vice President and Treasurer  
Paul R. Brenner, Esq.  
Secretary

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\* Audit Committee member  
\*\* Audit Committee chairman

Investment Advisor  
Hottinger Capital Corp.  
1270 Avenue of the Americas  
Suite 400  
New York, New York 10020  
(212) 332-7930  
Administrator  
Investment Company Capital Corp.  
Custodian  
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Transfer Agent  
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Legal Counsel  
Paul R. Brenner, Esq. and  
Salans Hertzfeld Heilbronn  
Christy & Viener  
Independent Auditors  
Deloitte & Touche LLP

The Investment Advisor

The Fund is managed by Hottinger Capital Corp., which is 100% owned by the Hottinger Group.

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

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<http://www.swz.com>

### The Fund

The Swiss Helvetia Fund, Inc. 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, listed on the New York Stock Exchange under the symbol "SWZ," is managed by Hottinger Capital Corp.

Net Asset Value is calculated daily by 6:00 P.M. (Eastern Standard Time). The most recent calculation is available by calling 1-888-SWISS-00 or by accessing our Website. Weekly Net Asset Value is also published in Barron's, the Monday edition of The Wall Street Journal and the Sunday edition of The New York Times.

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THE SWISS HELVETIA FUND, INC.

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### Letter to Stockholders

#### Economic Developments

The most prominent development in the first quarter of 2001 was the U.S. Federal Reserve's ("Fed") decision to cut interest rates three times for a total of 150 basis points. This action was in response to a very abrupt deterioration in economic conditions in the U.S., including a decline in consumer confidence numbers. Despite the favorable monetary conditions engineered by the Fed, both the Manufacturing and the Technology sectors continued to deteriorate. The Fed confirmed what we mentioned in our last annual report -- that significant over-capacity was present in the U.S. economy and that it would take some time to absorb it. This situation has led to a low utilization of assets and to a deflationary adjustment in the pricing of goods in order to facilitate inventory reductions. In the face of diminishing profitability, corporations put their investment programs on hold, reduced their production output and began rapid cost cutting efforts, which included layoffs. The situation was very similar in Europe. However, deflation of financial assets compounded by the heavy load of the telecom debt has not yet materialized in a sharp economic slowdown.

#### The Swiss Economy

The Swiss National Bank ("SNB"), unlike the European Central Bank, made a move to reduce short-term rates. It cut its proposed trading range for the benchmark 3 month LIBOR (London Inter Bank Offered Rate) by 25 basis points to 2.75%-3.75%. The SNB explained that economic uncertainty had risen and that the economic slowdown would probably be steeper than had been anticipated. The SNB had projected an annual GDP growth of 2.2% for 2001. On the other side, inflation has remained below 2% so far this year and the risk of it spiraling above that level was seen as being very low.

The state of the Swiss economy is still looking healthy with domestic demand fairly strong and exports increasing by 2.1% in volume in February, following an increase of 13.5% in January. Business surveys showed good figures for January, confirming that the slowdown in industry did not accelerate late last year or in the beginning of this year. Industrial output moderated in the last quarter of 2000 (5% growth compared to 7.7% growth in the third quarter of 2000). The producer price index recorded a drop of 0.2% in February, month-over-month, and an

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SWISS INTEREST RATES

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC AS FOLLOWS:

|          | 10 Years<br>Government Bond | Libor 3 months |
|----------|-----------------------------|----------------|
|          | -----                       | -----          |
| 12/29/00 | 3.473                       | 3.37           |
| 1/2/01   | 3.473                       | 3.3483         |
| 1/3/01   | 3.387                       | 3.3233         |
| 1/4/01   | 3.381                       | 3.305          |
| 1/5/01   | 3.351                       | 3.3533         |
| 1/8/01   | 3.348                       | 3.3217         |
| 1/9/01   | 3.402                       | 3.3867         |
| 1/10/01  | 3.389                       | 3.3983         |
| 1/11/01  | 3.364                       | 3.3583         |
| 1/12/01  | 3.407                       | 3.4167         |
| 1/15/01  | 3.41                        | 3.425          |
| 1/16/01  | 3.429                       | 3.4117         |
| 1/17/01  | 3.448                       | 3.4083         |
| 1/18/01  | 3.443                       | 3.4017         |
| 1/19/01  | 3.459                       | 3.4183         |
| 1/22/01  | 3.492                       | 3.43           |
| 1/23/01  | 3.476                       | 3.4483         |
| 1/24/01  | 3.489                       | 3.4383         |
| 1/25/01  | 3.492                       | 3.4517         |
| 1/26/01  | 3.465                       | 3.435          |
| 1/29/01  | 3.461                       | 3.44           |
| 1/30/01  | 3.443                       | 3.4567         |
| 1/31/01  | 3.426                       | 3.42           |
| 2/1/01   | 3.4                         | 3.3983         |
| 2/2/01   | 3.398                       | 3.4233         |
| 2/5/01   | 3.381                       | 3.4267         |
| 2/6/01   | 3.358                       | 3.4575         |
| 2/7/01   | 3.395                       | 3.4883         |
| 2/8/01   | 3.429                       | 3.4983         |
| 2/9/01   | 3.415                       | 3.505          |
| 2/12/01  | 3.404                       | 3.495          |
| 2/13/01  | 3.407                       | 3.4767         |
| 2/14/01  | 3.429                       | 3.475          |
| 2/15/01  | 3.468                       | 3.4683         |
| 2/16/01  | 3.455                       | 3.4933         |
| 2/19/01  | 3.454                       | 3.5117         |
| 2/20/01  | 3.474                       | 3.51           |
| 2/21/01  | 3.503                       | 3.515          |
| 2/22/01  | 3.527                       | 3.5183         |
| 2/23/01  | 3.512                       | 3.4983         |
| 2/26/01  | 3.522                       | 3.5            |
| 2/27/01  | 3.49                        | 3.4767         |
| 2/28/01  | 3.484                       | 3.4283         |
| 3/1/01   | 3.445                       | 3.4167         |
| 3/2/01   | 3.42                        | 3.4233         |
| 3/5/01   | 3.441                       | 3.425          |
| 3/6/01   | 3.428                       | 3.4467         |
| 3/7/01   | 3.413                       | 3.4467         |
| 3/8/01   | 3.367                       | 3.4533         |
| 3/9/01   | 3.374                       | 3.4667         |
| 3/12/01  | 3.363                       | 3.4883         |
| 3/13/01  | 3.382                       | 3.4317         |
| 3/14/01  | 3.341                       | 3.425          |

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|         |       |        |
|---------|-------|--------|
| 3/15/01 | 3.343 | 3.4133 |
| 3/16/01 | 3.314 | 3.4217 |
| 3/19/01 | 3.346 | 3.4417 |
| 3/20/01 | 3.359 | 3.45   |
| 3/21/01 | 3.329 | 3.4383 |
| 3/22/01 | 3.214 | 3.4367 |
| 3/23/01 | 3.232 | 3.325  |
| 3/26/01 | 3.24  | 3.3317 |
| 3/27/01 | 3.201 | 3.325  |
| 3/28/01 | 3.235 | 3.3467 |
| 3/29/01 | 3.278 | 3.35   |
| 3/30/01 | 3.274 | 3.325  |

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### THE SWISS HELVETIA FUND, INC.

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#### Letter to Stockholders (continued)

increase of 0.6% in year-over-year terms. The impact of lower import prices, due to a drop in oil prices, was evident. However, even without the oil effect, import price inflation fell from 2.7% in January, year-over-year, to 1.1% in February.

Indicators for new orders and industrial production were weaker in February. Nonetheless, the leading economic indicators point toward a moderate rather than an abrupt slowdown in the economy. The inverted yield curve indicates a reduction in GDP growth but the spread between long term and money market interest rates, although negative, is still narrow.

#### Currency

The price of the Swiss franc in euros was very stable in spite of the recent slight divergence in monetary policy between the SNB and the European Central Bank. The value of the Swiss franc in U.S. dollar terms declined about 8% despite the sharp slowdown in the U.S. economy and the reduction of the differential in short term rates in favor of the Swiss currency. Market expectations could be that the U.S. economy will recover sooner rather than later or that real GDP growth will be higher in the U.S. than in Europe and Switzerland. The main reason for this scenario would be that the European Central Bank in maintaining a high level of interest rates could, down the road, create deflation and imperil economic growth. So, even though the European Central Bank is trying to prop up the euro, the net result so far is a weakening of the currency.

Management believes that it is the weakness of the euro that is giving the U.S. dollar its strength during this time of economic slowdown in the U.S. As the economy slows down we can expect a reduction in productivity, making the U.S. economy somewhat less competitive, which would reflect in a downward adjustment of the U.S. dollar.

#### The Swiss Stock Market in Review

The first quarter of 2001 was very difficult for equity investing in almost all the major markets. The Swiss market was one of the weaker performers in Europe, after a very strong year 2000, with a decline of 11.90% in local currency and 17.72% in U.S. dollars terms. One of the main drivers of the

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pressure on the Swiss Performance Index ("SPI") was

### EXCHANGE RATES

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC AS FOLLOWS:

|          | Swiss Franc vs US Dollar | Swiss Franc vs Euro |
|----------|--------------------------|---------------------|
|          | -----                    | -----               |
| 12/29/00 | 0.6207                   | 0.6587              |
| 1/1/01   | 0.6207                   | 0.6588              |
| 1/2/01   | 0.6257                   | 0.6576              |
| 1/3/01   | 0.6129                   | 0.661               |
| 1/4/01   | 0.6236                   | 0.6563              |
| 1/5/01   | 0.6258                   | 0.6532              |
| 1/8/01   | 0.6213                   | 0.6562              |
| 1/9/01   | 0.6195                   | 0.6565              |
| 1/10/01  | 0.6141                   | 0.6548              |
| 1/11/01  | 0.6199                   | 0.6512              |
| 1/12/01  | 0.6177                   | 0.6494              |
| 1/15/01  | 0.6116                   | 0.6492              |
| 1/16/01  | 0.6122                   | 0.6497              |
| 1/17/01  | 0.6087                   | 0.6507              |
| 1/18/01  | 0.6173                   | 0.6544              |
| 1/19/01  | 0.6105                   | 0.6535              |
| 1/22/01  | 0.6129                   | 0.6532              |
| 1/23/01  | 0.6107                   | 0.6527              |
| 1/24/01  | 0.603                    | 0.6537              |
| 1/25/01  | 0.6054                   | 0.6555              |
| 1/26/01  | 0.6057                   | 0.6549              |
| 1/29/01  | 0.6033                   | 0.658               |
| 1/30/01  | 0.6073                   | 0.6558              |
| 1/31/01  | 0.6115                   | 0.6531              |
| 2/1/01   | 0.6123                   | 0.6522              |
| 2/2/01   | 0.6081                   | 0.6491              |
| 2/5/01   | 0.6099                   | 0.6503              |
| 2/6/01   | 0.6043                   | 0.6492              |
| 2/7/01   | 0.6042                   | 0.6508              |
| 2/8/01   | 0.5986                   | 0.6523              |
| 2/9/01   | 0.6021                   | 0.6514              |
| 2/12/01  | 0.6047                   | 0.6494              |
| 2/13/01  | 0.5992                   | 0.6511              |
| 2/14/01  | 0.5987                   | 0.6521              |
| 2/15/01  | 0.5911                   | 0.6535              |
| 2/16/01  | 0.5963                   | 0.6517              |
| 2/19/01  | 0.5994                   | 0.6503              |
| 2/20/01  | 0.5936                   | 0.6512              |
| 2/21/01  | 0.5929                   | 0.6521              |
| 2/22/01  | 0.59                     | 0.6523              |
| 2/23/01  | 0.5973                   | 0.651               |
| 2/26/01  | 0.5925                   | 0.6507              |
| 2/27/01  | 0.596                    | 0.6501              |
| 2/28/01  | 0.5994                   | 0.6486              |
| 3/1/01   | 0.6058                   | 0.651               |
| 3/2/01   | 0.608                    | 0.6496              |
| 3/5/01   | 0.6051                   | 0.6518              |
| 3/6/01   | 0.6064                   | 0.6496              |
| 3/7/01   | 0.6035                   | 0.6492              |
| 3/8/01   | 0.6057                   | 0.6492              |
| 3/9/01   | 0.605                    | 0.6482              |
| 3/12/01  | 0.6036                   | 0.65                |

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|         |        |        |
|---------|--------|--------|
| 3/13/01 | 0.5944 | 0.6496 |
| 3/14/01 | 0.5922 | 0.6498 |
| 3/15/01 | 0.5834 | 0.6502 |
| 3/16/01 | 0.585  | 0.6516 |
| 3/19/01 | 0.5863 | 0.6518 |
| 3/20/01 | 0.5924 | 0.6513 |
| 3/21/01 | 0.5848 | 0.6522 |
| 3/22/01 | 0.5802 | 0.6526 |
| 3/23/01 | 0.5811 | 0.653  |
| 3/26/01 | 0.5838 | 0.6512 |
| 3/27/01 | 0.5822 | 0.6517 |
| 3/28/01 | 0.579  | 0.6535 |
| 3/29/01 | 0.5789 | 0.6556 |
| 3/30/01 | 0.5738 | 0.6546 |

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THE SWISS HELVETIA FUND, INC.

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Letter to Stockholders (continued)

the asset allocation shift sparked by the reduction in interest rates in the United States. With lower interest rates, equity risk premiums are heading down and risk tolerance is increasing. Defensive stocks, entering the year with higher than historical valuation premiums compared to the rest of the market, have been the target of significant sell-offs. The so-called value stocks, which tend to be more cyclical in nature, have benefited from recent inflows of funds. This has had a significant impact on the SPI, which is composed mainly of defensive stocks, with healthcare and the insurance stocks affected the most. On the other hand, bank stocks benefited from an expectation of lower interest rates and more liquid capital markets.

Large caps performed the worst during the first quarter as indicated in the graph above due to their defensive nature. The performance of mid and small cap stocks is more difficult to grasp. Management mentioned in the 2000 annual report that trading volume in this segment of the market is often very erratic due to the impact of large international portfolios and, especially, growth oriented portfolios, as they trade in and out of these sectors. This has been the case in the first quarter of 2001. The international investor was much less active, therefore trading volume has dropped dramatically. A much lower percentage of market capitalizations have been changing hands during the first quarter, leading to wild swings in prices. "Growth" stocks in the Medical-Technology, High Tech, and Asset Management sectors were the most affected due to the perceived

PERFORMANCE OF  
SPI, SPI LARGE CAPS, SPI MID AND SMALL CAPS  
(12/29/00 TO 3/31/01)

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC AS FOLLOWS:

Large Caps -14.15  
Mid and Small Caps -8.57  
SPI Index 11.87

SPI Index                      Mid and Small Caps                      Large Caps

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|          |     |     |     |
|----------|-----|-----|-----|
| 12/29/00 | 100 | 100 | 100 |
| 1/3/01   | 100 | 101 | 98  |
| 1/4/01   | 100 | 102 | 98  |
| 1/5/01   | 99  | 101 | 96  |
| 1/8/01   | 98  | 101 | 96  |
| 1/9/01   | 98  | 101 | 96  |
| 1/10/01  | 97  | 101 | 95  |
| 1/11/01  | 97  | 101 | 95  |
| 1/12/01  | 97  | 102 | 94  |
| 1/15/01  | 97  | 102 | 95  |
| 1/16/01  | 97  | 102 | 95  |
| 1/17/01  | 99  | 103 | 96  |
| 1/18/01  | 98  | 104 | 95  |
| 1/19/01  | 97  | 104 | 94  |
| 1/22/01  | 98  | 103 | 95  |
| 1/23/01  | 97  | 102 | 95  |
| 1/24/01  | 98  | 103 | 96  |
| 1/25/01  | 99  | 103 | 96  |
| 1/26/01  | 99  | 103 | 97  |
| 1/29/01  | 99  | 103 | 97  |
| 1/30/01  | 99  | 103 | 97  |
| 1/31/01  | 99  | 103 | 97  |
| 2/1/01   | 98  | 103 | 96  |
| 2/2/01   | 99  | 103 | 96  |
| 2/5/01   | 99  | 103 | 97  |
| 2/6/01   | 100 | 103 | 97  |
| 2/7/01   | 99  | 103 | 97  |
| 2/8/01   | 98  | 103 | 96  |
| 2/9/01   | 98  | 102 | 96  |
| 2/12/01  | 98  | 102 | 95  |
| 2/13/01  | 98  | 102 | 95  |
| 2/14/01  | 97  | 101 | 94  |
| 2/15/01  | 97  | 102 | 95  |
| 2/16/01  | 96  | 101 | 93  |
| 2/19/01  | 96  | 100 | 94  |
| 2/20/01  | 95  | 100 | 93  |
| 2/21/01  | 95  | 100 | 92  |
| 2/22/01  | 95  | 98  | 92  |
| 2/23/01  | 94  | 98  | 92  |
| 2/26/01  | 95  | 99  | 92  |
| 2/27/01  | 95  | 98  | 93  |
| 2/28/01  | 95  | 98  | 93  |
| 3/1/01   | 93  | 95  | 91  |
| 3/2/01   | 93  | 95  | 91  |
| 3/5/01   | 93  | 96  | 91  |
| 3/6/01   | 94  | 97  | 92  |
| 3/7/01   | 94  | 97  | 91  |
| 3/8/01   | 93  | 97  | 91  |
| 3/9/01   | 93  | 96  | 90  |
| 3/12/01  | 91  | 95  | 89  |
| 3/13/01  | 91  | 95  | 88  |
| 3/14/01  | 89  | 93  | 86  |
| 3/15/01  | 89  | 92  | 87  |
| 3/16/01  | 87  | 91  | 85  |
| 3/19/01  | 86  | 91  | 84  |
| 3/20/01  | 87  | 91  | 84  |
| 3/21/01  | 85  | 89  | 83  |
| 3/22/01  | 80  | 86  | 77  |
| 3/23/01  | 82  | 88  | 79  |
| 3/26/01  | 86  | 90  | 83  |
| 3/27/01  | 86  | 91  | 83  |



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|         |    |    |    |
|---------|----|----|----|
| 3/28/01 | 86 | 91 | 83 |
| 3/29/01 | 86 | 90 | 84 |
| 3/30/01 | 88 | 91 | 86 |

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 Swiss Performance Index  
 Sector Performance in Swiss Franc (12/31/00-3/31/01)  
 -----

|                                      |          |
|--------------------------------------|----------|
| SWISS PERFORMANCE INDEX              | (11.90)% |
| -----                                |          |
| Utilities                            | (0.50)%  |
| Foods                                | (4.30)%  |
| Banks                                | (4.33)%  |
| Building Industry                    | (7.25)%  |
| Machinery                            | (7.31)%  |
| Miscellaneous Services               | (7.65)%  |
| Retailing                            | (11.14)% |
| Healthcare/Chemical                  | (12.36)% |
| Other Industries                     | (19.10)% |
| Transportation                       | (20.36)% |
| Electronics & Electrical Engineering | (21.56)% |
| Insurance                            | (24.80)% |

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 THE SWISS HELVETIA FUND, INC.  
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Letter to Stockholders (continued)

larger down side risk for their earnings in a slowing economic environment. The more numerous regional mid caps with domestic shareholder bases have not been affected to the same extent. This has helped the SPI Mid and Small Cap indices to outperform the SPI.

The Swiss Helvetia Fund was penalized by its exposure to the large cap defensive sector on one side and to the mid cap growth sector on the other. This happened despite the fact that Management did some portfolio re-balancing to take into account the change in the economic environment induced by the Fed's rate cuts. The portfolio changes increased diversification in the Fund.

2000 earnings and management comments on the 2001 outlook were somewhat of a mixed bag. Among the large caps, several sizable disappointments have been registered, especially by Zurich Financial Services, ABB and Roche. The guidance given for 2001 has been very cautious as well for those companies. On the other side Novartis, UBS, Credit Suisse and Nestle have posted upside surprises. In the mid cap segment the bad news came from Sairgroup, Gretag Imaging, Mikron (where the Fund does not have any exposure), Swisslog and Vontobel.

Corporate Actions

Nestle agreed to buy Ralston Purina, the U.S. pet foods producer for \$10.3

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billion in order to reinforce its higher growing business area and to set itself up to become the world's biggest player in the estimated \$25 billion a year pet foods business. ABB, in addition to a reorganization of its operating structure into end market business as opposed to a product orientation, has announced a buy back of up to six million shares representing 2% of its capital.

### Swiss Market Perspectives

Very positive news for shareholders in Swiss companies was a change in legislation that took place during the quarter, allowing companies to reduce the minimal nominal value of their shares to one cent, i.e. one rappen or 1/100 of one franc. That will lead to smaller trading units, making stocks more attractive to smaller investors and potentially enlarging the base of interest. Many companies have already announced stock splits. Among them Novartis (40 for one) and UBS (3 for one).

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Performance year to date through March 31, 2001  
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#### The Swiss Helvetia Fund

-----  
Net Asset Value Swiss Franc (13.42)%  
-----

Net Asset Value U.S.Dollar (19.14)%  
-----

#### Swiss Performance Index

-----  
Swiss Franc (11.90)%  
-----

U.S.Dollar (17.72)%  
-----

#### The Swiss Helvetia Fund

-----  
Market Price Swiss Franc (9.54)%  
-----

Market Price U.S.Dollar (15.52)%  
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THE SWISS HELVETIA FUND, INC.  
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### Letter to Stockholders (continued)

According to Management's earnings expectations, the Swiss market currently trades at a price earnings multiple of 19 times 2000 earnings and 17 times forecasted 2001 earnings. Even if the market should register no earnings growth in 2001, its current valuation bears an equity risk premium of 2%. Despite the very difficult macro economic conditions, this should provide downside protection to the market and allow it to rebound as the global economy ceases to deteriorate. The problem the financial markets have to deal with is misallocation of capital during the year 1999 and early 2000, and a high level

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of debt on the corporate and consumer side.

The strategy of the Fund has been to be more neutral in terms of sector weightings (due to economic uncertainty) and to focus on a stock picking approach, with priority given to "value" and "under valued growth" stocks. Management prefers this investment stance to a sector rotation strategy that might offer more immediate gratification but would also expose the Fund to higher volatility.

The main criteria for the Fund's stock selection approach is the creation of sustainable shareholder value. Companies with a comprehensive long term strategy, with visionary management with a good track record in good and bad economic conditions, and which are active in expanding addressable markets, are the ones Management concentrates its research efforts on.

### Market Outlook

#### U.S.

The need to de-leverage the U.S. economy (to restore the balance sheets of corporations and to reduce consumer debt) will delay the positive impact of the Fed rate cuts and put pressure on corporate and consumer spending. The Fed funds rate is still high, especially looking at the very low potential for increased inflation. Further cuts are therefore expected.

#### Europe

On the positive side, the continent did not have the same over-investment in Technology as in the U.S., and fewer households have equity investments. Euroland appears to be a big closed economy (exports being equal to only 15% of GDP) and tax cuts have already been implemented.

On the negative side, if a major slowdown in world trade is in the works, (slower U.S. activity, weakening Taiwanese and Korean exports, and continuing weakness in Japan), Europe will be affected, especially European corporations, since a large number of them recently purchased U.S. assets. For the stock markets the major risk is complacency in terms of earnings expectations. Some estimates for European companies still appear on the high side.

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THE SWISS HELVETIA FUND, INC.

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Letter to Stockholders (concluded)

#### Stock Repurchase Program

During the first quarter of 2001, the Fund repurchased 308,500 shares, at an average price of \$14.63 and an average discount of 17.87%. This program has enhanced stockholders value by \$967,760. During the same period, the discount was between 12.95% and 19.76% finishing the quarter at 15.46%.

Sincerely,

/S/ PAUL HOTTINGUER  
-----

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Paul Hottinguer  
Chairman and Chief Executive Officer

/S/ RODOLPHE HOTTINGER

-----  
Rodolphe Hottinger  
President and Chief Operating Officer

May 9, 2001

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THE SWISS HELVETIA FUND, INC.

Schedule of Investments  
(Unaudited)

March 31, 2001

| No. of<br>Shares        | Security   | Value        | Percent<br>of Net<br>Assets |
|-------------------------|--|--------------|-----------------------------|
| -----                   |  |              |                             |
| Common Stocks -- 93.79% |  |              |                             |
| Banks -- 15.01%         |  |              |                             |
| 2,081                   | Bank Sarasin & Co.<br>Registered Shares<br>Specializes in investment<br>advisor services and<br>portfolio management for<br>private and institutional<br>customers in Europe. (1)<br>(cost \$1,774,473)                | \$ 5,156,333 | 1.48%                       |
| 3,600                   | Banque Cantonale Vaudoise<br>Bearer Shares<br>Attracts deposits and offers<br>real estate mortgages and<br>commercial loans as well as<br>investment counseling and<br>portfolio management. (1)<br>(cost \$1,227,323) | 1,147,171    | 0.33                        |
| 107,000                 | Credit Suisse Group<br>Registered Shares<br>A global operating financial<br>group. (1,3)<br>(cost \$6,828,597)   | 18,836,291   | 5.40                        |
| 550                     | Julius Baer Holdings AG<br>Bearer Shares<br>Banking group specializing<br>in asset management,<br>investment consulting and<br>securities trading. (1)<br>(cost \$607,255)   | 2,456,206    | 0.70                        |

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1,500 Oz Holding  
 Bearer Shares 1,594,733 0.46  
 Provides brokerage and  
 banking services,  
 specializing in Swiss  
 futures and options.  
 (cost \$1,365,178)

| No. of<br>Shares | Security | Value | Percent<br>of Net<br>Assets |
|------------------|----------|-------|-----------------------------|
|------------------|----------|-------|-----------------------------|

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Banks -- (continued)

145,000 UBS Ltd.  
 Registered Shares \$ 20,846,779 5.98%  
 Product of the merger of  
 Basel-based Swiss Bank Corp.  
 and Zurich-based Union Bank  
 of Switzerland. The group  
 operates globally and has  
 three core business units:  
 UBS Switzerland, UBS Asset  
 Management and UBS  
 Warburg. (1,3)  
 (cost \$8,314,606)

1,324 Vontobel Holding AG  
 Bearer Shares 2,288,809 0.66  
 Provides investment, banking  
 and consulting services to  
 private and institutional  
 customers. (1)  
 (cost \$2,422,303)

-----  
 52,326,322 15.01

Biotechnology -- 2.10%

7,500 Actelion Ltd.  
 Registered Shares 2,312,147 0.66  
 Develops and markets  
 synthetic small-molecule  
 drugs against diseases  
 related to the  
 endothelium. (1)  
 (cost \$1,922,625)

6,200 Serono SA  
 Bearer Shares 5,001,729 1.44  
 Develops and markets  
 biotechnology products. (1)  
 (cost \$4,495,858)

-----  
 7,313,876 2.10

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 THE SWISS HELVETIA FUND, INC.  
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Schedule of Investments (continued)  
 (Unaudited)

March 31, 2001

| No. of<br>Shares                               | Security  | Value        | Percent<br>of Net<br>Assets |
|--|---|--------------|-----------------------------|
| -----  |   |              |                             |
| Common Stocks -- (continued)                   |   |              |                             |
| Chemicals -- 1.91%                             |   |              |                             |
| 1,000  | Bachem AG<br>Registered Shares<br>Produces bulk peptides which<br>are used in the<br>manufacturing of drugs and<br>for research purposes. (1)<br>(cost \$1,980,583)   | \$ 1,313,818 | 0.38%                       |
| 9,700  | Clariant Ltd.<br>Registered Shares<br>Specializes in color<br>chemistry and manufactures a<br>range of dyestuffs,<br>pigments, chemicals,<br>additives and master batches<br>for the textile, paper,<br>leather, plastics, synthetic<br>fibers and paint<br>industries. (1)<br>(cost \$3,078,385) | 2,643,829    | 0.76                        |
| 2,250  | Gurit-Heberlein AG<br>Bearer Shares<br>European market leader for<br>wind screen bonding systems,<br>ski based and optically pure<br>thermoplastic sheeting for<br>the auto industry. (1)<br>(cost \$2,223,639)   | 2,034,257    | 0.58                        |
| 2,523  | Sika Finanz Ltd.<br>Bearer Shares<br>Leading producer of<br>construction chemicals. (1)<br>(cost \$614,614)   | 673,856      | 0.19                        |
|  |   | -----        | -----                       |
|  |   | 6,665,760    | 1.91                        |
| Electrical Engineering & Electronics -- 12.64% |   |              |                             |
| 155,500  | ABB Ltd.<br>The holding company for ABB<br>Group which is one of the<br>largest electrical  | 11,290,192   | 3.24                        |

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engineering firms in the  
world. (2,3)  
(cost \$11,166,643)

| No. of<br>Shares                                    | Security   | Value        | Percent<br>of Net<br>Assets |
|---|--|--------------|-----------------------------|
| -----   |  |              |                             |
| Electrical Engineering & Electronics -- (continued) |  |              |                             |
| 97,152  | Ascom Holding AG<br>Bearer Shares<br>Manufactures<br>telecommunications service<br>automation equipment and<br>systems, as well as power<br>systems. (1,3)<br>(cost \$6,751,808)                                 | \$ 6,060,104 | 1.74%                       |
| 4,055   | Belimo Automation AG<br>Registered Shares<br>World market leader in<br>damper and volume control<br>actuators for ventilation<br>and air conditioning<br>equipment. (1)<br>(cost \$1,259,329)                    | 1,729,111    | 0.50                        |
| 4,800   | Disetronic Holding Ltd.<br>Registered Shares<br>Develops, manufactures and<br>markets infusion (insulin<br>pumps) and injection<br>systems. (1)<br>(cost \$4,132,588)  | 3,471,246    | 1.00                        |
| 14,400  | Kaba Holding AG<br>Registered Shares<br>Provides mechanical and<br>electronic security<br>systems. (1)<br>(cost \$4,108,459)   | 3,153,164    | 0.90                        |
| 1,150   | Kudelski SA<br>Bearer Shares<br>Designs, produces and<br>distributes equipment under<br>the 'Nagra' brand name for<br>professional data display in<br>audio and video<br>applications. (1)<br>(cost \$1,227,377) | 860,810      | 0.25                        |
| 6,000   | Leica Geosystems<br>Registered Shares<br>Manufactures surveying and<br>mapping equipment, and<br>produces devices that<br>capture and process spatial  | 1,376,052    | 0.39                        |

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data.(1)  
(cost \$1,657,638)

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THE SWISS HELVETIA FUND, INC.  
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Schedule of Investments (continued)  
(Unaudited)

March 31, 2001

| No. of<br>Shares                                    | Security  | Value        | Percent<br>of Net<br>Assets |
|---|---|--------------|-----------------------------|
| -----   |   |              |                             |
| Common Stocks -- (continued)                        |   |              |                             |
| Electrical Engineering & Electronics -- (continued) |   |              |                             |
| 8,255   | Logitech International SA<br>Registered Shares<br>Manufactures personal<br>computer input devices, as<br>well as producing<br>trackballs, desktop<br>publishing programs, and<br>related software.(1)<br>(cost \$1,247,541)   | \$ 1,893,218 | 0.54%                       |
| 608   | Phonak Holding Ltd.<br>Registered Shares<br>Designs and produces<br>wireless analog and digital<br>hearing aids and<br>miniaturized voice<br>communications systems.(1)<br>(cost \$1,842,863)   | 1,811,317    | 0.52                        |
| 4,000   | Saia-Burgess Electronics Holding AG<br>Registered Shares<br>Develops and produces<br>switches, motors and<br>programmable control<br>devices. The company's<br>products are mainly used in<br>the automobile, heating &<br>air conditioning and<br>telecommunications<br>industries.(1)<br>(cost \$975,888) | 1,475,164    | 0.42                        |
| 6,285   | Schaffner Holding Ltd.<br>Registered Shares<br>Develops, manufactures and<br>markets electrical<br>components and test  | 1,756,497    | 0.50                        |



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equipment in the area of EMC  
(Electro Magnetic  
Comptability).  
(cost \$1,814,360)

5,800 Swisslog Holding, AG  
Registered Shares 1,545,753 0.44  
Provides turnkey delivery of  
automated material handling  
systems, storage, order  
picking and transport  
systems. Delivers its  
systems to production,  
distribution and service  
companies throughout  
Europe.(1)  
(cost \$464,077)

| No. of<br>Shares | Security | Value | Percent<br>of Net<br>Assets |
|------------------|----------|-------|-----------------------------|
|------------------|----------|-------|-----------------------------|

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Electrical Engineering & Electronics -- (continued)

6,768 Tecan Group, Ltd.  
Registered Shares \$ 5,752,449 1.65%  
Manufactures and distributes  
components and complete  
solutions for the automation  
of laboratory  
processes.(1,3)  
(cost \$4,094,865)

1,800 The Swatch Group Ltd.  
Bearer Shares 1,872,191 0.55  
Manufactures watches, watch  
components and  
microelectronics. Produces  
machine tools for  
scientific, medical and  
industrial use.(1)  
(cost \$1,212,326)

|            |       |
|------------|-------|
| -----      | ----- |
| 44,047,268 | 12.64 |

Food & Luxury Goods -- 12.85%

300 Lindt & Sprungli AG  
Registered Shares 1,644,001 0.47  
Major manufacturer of  
premium Swiss chocolates.(1)  
(cost \$1,196,399)

20,700 Nestle Ltd.  
Registered Shares 43,143,886 12.38  
Largest food and beverage  
processing company in the  
world.(1,2,3)  
(cost \$12,427,540)

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-----  
44,787,887      12.85

Insurance -- 10.97%

|       |   |           |      |
|-------|---|-----------|------|
| 3,000 | Baloise Holding AG<br>Registered Shares<br>Medium-sized insurer active<br>in all sectors of<br>insurance. (1)<br>(cost \$169,640) | 3,025,239 | 0.87 |
|-------|---|-----------|------|

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THE SWISS HELVETIA FUND, INC.  
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Schedule of Investments (continued)  
(Unaudited)

March 31, 2001

| No. of<br>Shares | Security | Value | Percent<br>of Net<br>Assets |
|------------------|----------|-------|-----------------------------|
|------------------|----------|-------|-----------------------------|

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Common Stocks -- (continued)

Insurance -- (continued)

|        |   |              |       |
|--------|---|--------------|-------|
| 3,000  | Helvetia Patria Holding<br>Registered Shares<br>Provides a broad range of<br>life, casualty, liability<br>accident, and transportation<br>insurance programs. (1)<br>(cost \$2,753,299)   | \$ 2,765,933 | 0.79% |
| 10,050 | Swiss Reinsurance Company<br>Registered Shares<br>Second largest reinsurance<br>company in the world. (1,3)<br>(cost \$9,998,827)   | 20,211,191   | 5.80  |
| 5,200  | Swiss Life<br>Registered Shares<br>A financial services company<br>that provides life<br>insurance, institutional<br>investment management and<br>private banking through<br>Banca del Gottardo and<br>STG. (1)<br>(cost \$4,142,382) | 3,595,713    | 1.03  |
| 26,300 | Zurich Allied<br>Registered Shares<br>A multi-line insurance<br>company whose core business<br>units are non-life and life  | 8,638,354    | 2.48  |

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|                                   |   |                     |                             |
|-----------------------------------|---|---------------------|-----------------------------|
|                                   | insurance, reinsurance, and<br>asset management. (1,3)<br>(cost \$4,268,104)  | -----<br>38,236,430 | -----<br>10.97              |
| Machinery -- 2.47%                |   |                     |                             |
| 3,650                             | Esec Holding AG<br>Registered Shares<br>Manufactures automatic<br>assembly equipment for the<br>semiconductor industry. (1)<br>(cost \$864,154)   | 788,723             | 0.23                        |
| No. of<br>Shares                  | Security  | Value               | Percent<br>of Net<br>Assets |
| -----                             |   |                     |                             |
| Machinery -- (continued)          |   |                     |                             |
| 2,650                             | Schindler Holding AG<br>Registered Shares<br>One of the world's largest<br>elevator companies and a<br>leading Swiss machinery<br>enterprise. (1)<br>(cost \$3,574,267)                             | \$ 3,672,496        | 1.05%                       |
| 2,700                             | Swiss Industrial Holding Ltd.<br>Registered Shares<br>Holding company for<br>industrial machinery and<br>automated equipment<br>manufacturers. (1)<br>(cost \$1,772,584)                            | 1,436,038           | 0.41                        |
| 4,200                             | Sulzer AG<br>Registered Shares<br>Manufactures and sells<br>industrial equipment,<br>machinery, and medical<br>devices. (1)<br>(cost \$2,891,059)   | 2,703,354           | 0.78                        |
|                                   |   | -----<br>8,600,611  | -----<br>2.47               |
| Miscellaneous Industries -- 2.01% |   |                     |                             |
| 750                               | Daetwyler Holding Inc.<br>Bearer Shares<br>Manufactures cable, rubber<br>and plastic products, steel<br>tubing, pharmaceutical<br>packaging and industrial<br>components. (1)<br>(cost \$1,249,175) | 1,136,626           | 0.33                        |
| 2,000                             | Huber & Suhner AG<br>Registered Shares  | 1,221,620           | 0.35                        |

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Manufactures a wide range of products, extending from cables for energy and electrical transmission to special products such as rubber.(1)  
(cost \$524,105)

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THE SWISS HELVETIA FUND, INC.  
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Schedule of Investments (continued)  
(Unaudited)

March 31, 2001

| No. of<br>Shares                        | Security   | Value        | Percent<br>of Net<br>Assets |
|---|--|--------------|-----------------------------|
| -----                                   |  |              |                             |
| Common Stocks -- (continued)            |  |              |                             |
| Miscellaneous Industries -- (continued) |  |              |                             |
| 15,000                                  | Komax Holding AG<br>Registered Shares<br>Seller of wire processing machines. Most important markets are the car industry, household appliance industry, telecommunication industry as well as the electronics industry.(1)<br>(cost \$589,052) | \$ 1,201,452 | 0.34%                       |
| 5,600                                   | Phoenix Mecano AG<br>Bearer Shares<br>Leading Swiss packaging manufacturer for the mechanical engineering and electronics industry.(1)<br>(cost \$3,218,074)   | 2,742,883    | 0.79                        |
| 4,400                                   | Unaxis Holdings Ltd.<br>Registered Shares<br>Provider of systems and IT services, including semiconductors, data storage and displays, as well as surface technology and space applications.(1)<br>(cost \$1,031,796)                          | 709,923      | 0.20                        |
|   |  | -----        | -----                       |
|   |  | 7,012,504    | 2.01                        |

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### Miscellaneous Medical Services -- 0.54%

|       |   |           |       |
|-------|---|-----------|-------|
| 546   | Galenica Holding Ltd.<br>Manufactures and distributes<br>prescription and<br>over-the-counter drugs,<br>toiletries and hygiene<br>products. (1)<br>(cost \$490,462) | 409,012   | 0.12  |
| 1,800 | Unilabs SA<br>Registered Shares<br>Provides clinical laboratory<br>testing services in Europe. (1)<br>(cost \$1,420,719)  | 1,452,115 | 0.42  |
|       |   | -----     | ----- |
|       |   | 1,861,127 | 0.54  |

| No. of<br>Shares | Security | Value | Percent<br>of Net<br>Assets |
|------------------|----------|-------|-----------------------------|
|------------------|----------|-------|-----------------------------|

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### Miscellaneous Services -- 2.82%

|       |  |              |       |
|-------|--|--------------|-------|
| 6,200 | Adecco SA<br>Bearer Shares<br>Leading personnel and<br>temporary employment<br>company. (1)<br>(cost \$1,902,171)  | \$ 3,243,978 | 0.93% |
| 1,800 | Compagnie Financiere Richemont AG<br>Bearer Shares<br>Investment company with<br>principal interests in<br>luxury goods and tobacco. (1)<br>(cost \$1,500,228)   | 4,044,140    | 1.16  |
| 2,100 | SGS Societe Generale de<br>Surveillance Holding Ltd.<br>Registered Shares<br>Provides a variety of<br>industrial inspection,<br>analysis, testing and<br>verification services<br>worldwide. (1)<br>(cost \$2,768,008) | 2,544,831    | 0.73  |
|       |  | -----        | ----- |
|       |  | 9,832,949    | 2.82  |

### Pharmaceuticals -- 27.74%

|        |   |            |       |
|--------|---|------------|-------|
| 39,500 | Novartis AG<br>Registered Shares<br>Life science group created<br>by the consolidation of<br>Sandoz and Ciba-Geigy.<br>Manufactures health care | 61,660,424 | 17.69 |
|--------|---|------------|-------|

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products for use in a broad range of medical fields, as well as agricultural products. The second largest pharmaceutical entity in the world.(3)  
(cost \$21,636,239)

|   |            |       |
|---|------------|-------|
| 4,860 Roche Holdings Ltd.<br>Dividend Rights Certificates<br>Worldwide pharmaceutical<br>company.(1,2,3)<br>(cost \$10,912,129) | 35,006,339 | 10.05 |
|   | -----      | ----- |
|   | 96,666,763 | 27.74 |

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THE SWISS HELVETIA FUND, INC.  
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Schedule of Investments (concluded)  
(Unaudited)

March 31, 2001

| No. of<br>Shares             | Security  | Value       | Percent<br>of Net<br>Assets |
|------------------------------|---|-------------|-----------------------------|
| -----                        |   |             |                             |
| Common Stocks -- (concluded) |   |             |                             |
| Retailers -- 1.15%           |   |             |                             |
| 13,000                       | Charles Voegele Holding AG<br>Manufactures and markets a<br>variety of clothing items<br>for men, women and children.<br>Operates approximately 385<br>retail stores in<br>Switzerland, Germany,<br>Austria and Benelux<br>region.(1)<br>(cost \$2,008,189)   | \$1,427,049 | 0.41%                       |
| 1,900                        | Jelmoli Holding AG<br>Bearer Shares<br>Operates a network of<br>retail/service outlets<br>throughout Switzerland,<br>including local dry<br>cleaners, auto body shops,<br>opticians, interior<br>decorators, travel agencies,<br>restaurants, pharmacies and<br>retailers.(1)<br>(cost \$1,405,702) | 2,572,894   | 0.74                        |
|                              |   | -----       | -----                       |
|                              |   | 3,999,943   | 1.15                        |

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Telecommunications -- 1.37%

|  |              |       |
|--|--------------|-------|
| 21,300 Swisscom Ltd.   |              |       |
| Registered Shares  | \$ 4,786,793 | 1.37% |
| Operates public telecommunication networks and offers network application services.(1) |              |       |
| (cost \$5,664,693)   |              |       |
|  | -----        | ----- |
|  | 4,786,793    | 1.37  |

Transportation -- 0.21%

|   |                   |            |
|---|-------------------|------------|
| 1,500 Kuehne & Nagel International Ltd.   |                   |            |
| The company operates sea freight, land and rail transportation businesses and warehousing and distribution facilities.(1) | 748,531           | 0.21       |
| (cost \$767,898)  |                   |            |
|   | -----             | -----      |
|   | 748,531           | 0.21       |
| <br>Total Common Stocks<br>(Cost \$179,958,096)   | <br>\$326,886,764 | <br>93.79% |
| <br>Other Assets in Excess<br>of Liabilities  | <br>21,639,027    | <br>6.21   |
|   | -----             | -----      |
| <br>Total Net Assets  | <br>\$348,525,791 | <br>100.0% |
|   | =====             | =====      |

- 
- 1 Non-income producing security for the three month period ended March 31, 2001.  
 2 All or a portion of this security was on loan. The value of all securities loaned at March 31, 2001 amounted to \$83,284,842.  
 3 One of the ten largest portfolio holdings.

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