SWISS HELVETIA FUND, INC.
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05128

THE SWISS HELVETIA FUND, INC.

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Date of fiscal year end: December 31

Date of reporting period: January 1, 2010 June 30, 2010

Item 1. Reports to Stockholders.

Directors and Officers

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Chairman (Non-executive)

Jean-Marc Boillat

Director

Richard A. Brealey

Director

Alexandre de Takacsy

President

Director

Claude W. Frey

Director

Claus Helbig[1]

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R. Clark Hooper[2]

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Paul Hottinguer

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Director

Didier PineauValencienne[1,3]

Director

Stephen K. West, Esq.[1,4]

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Eric R. Gabus

Director Emeritus

Baron Hottinger

Director Emeritus

Rudolf Millisits

Chief Executive Officer

Chief Financial Officer

Philippe R. Comby,

CFA, FRM

Vice President

Edward J. Veilleux

Vice President

Secretary

Glen Fougere

Assistant Secretary

Patrick J. Keniston

Chief Compliance Officer

[1] Audit Committee Member

[2] Audit Committee Chair

[3] Governance/Nominating Committee Chair

[4] Pricing Committee Chair

Investment Advisor

Hottinger Capital Corp.

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Citi Fund Services Ohio, Inc.

Custodian

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Transfer Agent

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Legal Counsel

Stroock & Stroock & Lavan LLP

Independent Registered Public Accounting Firm

Deloitte & Touche LLP

The Investment Advisor

The Swiss Helvetia Fund, Inc. (the Fund) is managed by Hottinger Capital Corp., which belongs to the Hottinger Group.

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

Executive Offices

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The Fund

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

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

Net Asset Value is calculated daily by 6:15 P.M. (Eastern Time). The most recent calculation is available by calling 1-888-SWISS-00 or by accessing our Website. Net Asset Value is also published weekly in *Barron s,* the Monday edition of *The Wall Street Journal* and the Sunday Edition of *The New York Times.*

Letter to Stockholders

Global Market Review

The overall positive sentiment during the first quarter was driven by resilient emerging market economies and positive macroeconomic data. During the second quarter, however, momentum reached a turning point due to lackluster economic news, including rising concerns regarding the refinancing of European sovereign debt, the dramatic depreciation of the euro, the Gulf oil spill and on-going financial reforms. In addition, the U.S. economic recovery appeared to be stalling, as could be seen in the most recent U.S. employment report, and Chinese authorities continued to implement tightening measures aimed at cooling its domestic real estate market and domestic economic activity.

In the second quarter of 2010, in light of soaring volatility and the equity markets falling back to their August 2009 levels (the MSCI World Index fell 13% in the second quarter and the Euro Stoxx 50 Index had a similar negative return), investors became risk averse. With a 12-month forward price earnings ratio of 9.9 times in June, the European market was trading at a historical low. Earnings estimates were revised slightly downward by analysts in advance of the results. Looking at the possibility of further adjustments, market valuations remain supportive of further gains. A slower recovery for corporate sales and a much lower inflation rate had a negative effect on pricing and margins. The valuation of the Swiss market already reflected those negative factors. As such, unless the Swiss economy enters a protracted period of deflation, the downside market risks are limited.

During the second quarter of 2010, global equity markets were negatively affected by disappointing macroeconomic data combined with a push to higher equity risk premiums. Market sentiment continued to deteriorate even though risk premiums remained more attractive for equities relative to credit. The sovereign debt crisis in the Eurozone, compounded by pressure on the euro and the lessening positive effect of stimulus programs, accelerated the spill-over effect for the global economy. In the Eurozone, 5-year credit-default swaps (CDS) for Ireland and Spain were trading very close to their highest levels of 2010 at the end of the first half of the year, despite the rescue package fashioned by the European Union. CDSs for Greece continued to indicate the strong possibility that a credit event could occur over the next few years. The European markets, led by Greece, Italy and Spain, under performed Japan, Canada, the U.S. and the emerging markets.

At a microeconomic level, equities remained in good shape generating high free cash flow with a continued trend of increasing dividends and share buybacks. Bottom-up analysis still indicated that second quarter earnings were likely to be sustained as many companies showed volume growth both on a quarterly and annual basis.

Swiss Economy Review

Swiss macroeconomic conditions, driven by a recovery in the export sector, resilient private consumption and a massive drop in inventories saw sustained growth during the second quarter outpacing Europe. On the business front, the latest KOF Economic Barometer (a combined reading of 12 economic indicators) reflected the current healthy state of the Swiss business sector and indicated further acceleration of Swiss Gross Domestic Product (GDP). Another positive development was the strong expansion of the monetary aggregate, M3, with a yearly growth rate above 7%, coupled with rising domestic bank credits of 4% on a year-over-year basis.

2

Letter to Stockholders (continued)

Currency

At its most recent monetary policy meeting, the Swiss National Bank (SNB) kept its target range for the three-month Libor rate unchanged at 0.00%-0.75%. The SNB s comments on the Swiss economy were relatively upbeat. With improved economic conditions, as contrasted with deterioration in the countries on the periphery of the European Monetary Union, the SNB reversed course and substantially reduced its efforts to stop the appreciation of the Swiss franc, which contributed to a massive increase in foreign currency reserves. As soon as the SNB started to stay on the side line in the currency market, the Swiss franc resumed its upward trend against the euro and has reversed almost all of its loss against the U.S. dollar for the year. The outlook for the Swiss franc remains strong, given Switzerland s good fiscal position and the strength of its domestic economy relative to its European peers.

Fund s Performance Review

During the second quarter, the energy, basic resources and banking sectors were the most negatively affected sectors of the global indices. Tax increases in Germany raised concerns about the defensive nature of the utility sector. The Swiss Performance Index (SPI) also was negatively affected by the poor returns of banks, insurance companies and the technology sector. Mid-size companies performed better in the downturn than blue chip companies, as indicated by the performance of the Swiss Small and Mid Cap Index (SMIM) (-7.4% versus -10.8% for the Swiss Market Index (SMI)).

The food sector was resilient (mainly due to the performance of Nestle, which represents 95% of the sector), whereas pharmaceuticals, considered a defensive investment, had a negative return for the quarter. Transocean, newly-listed in Switzerland and added to the SPI on April 20th,

had a negative effect on the energy sector. Transocean shares ended the quarter with a return of -42% due to collapse of the Deepwater Horizon drilling platform in the Gulf of Mexico, which was owned by the company and operated by British Petroleum. Because the Fund did not own this stock for most of the first half of the year, the Fund s energy holdings outperformed the SPI during this period. Toward the end of June, however, the Fund started to build a small position in Transocean as value started to emerge despite the negative effect of the platform explosion and resulting oil spill on business volumes. In Management s view, the company s share price already has been discounted to account for substantial costs associated with the company s potential liabilities.

Fund management became more cautious on UBS and Credit Suisse during the second quarter. Their investment banking divisions will require either higher returns for investors or more capital to absorb increased volatility, while their wealth management divisions continued to experience uncertainties due to an outflow of money resulting from the effect of various tax amnesties and pressure from the automatic data exchange requested by European governments. Furthermore, despite increased expectations and the Swiss Parliament s June 17th approval of the deal between the Swiss Government and the U.S. Department of Justice concerning UBS client data exchange, investor sentiment turned negative and UBS continued to remain under pressure. The Fund s underweight position in the banking sector made a positive contribution to its relative performance against the SPI.

Another positive contributor to the Fund s relative performance to the SPI was the consumer discretionary segment of the goods and services sector, which benefited from demand from emerging markets. In particular, watch industry

3

Letter to Stockholders (continued)

exports grew at a double digit rate, benefiting Swatch and Richemont.

The Fund entered the second quarter with a relatively defensive position despite remaining underweight in pharmaceuticals. Management further reduced the Fund s exposure to cyclical industrial sectors and to the utility sector during the quarter and remained out of deflationary industries, such as telecom, preferring companies with pricing power. The Fund s sizable cash position during a short period of time was created by portfolio repositioning and was tactical. Successful sector allocation and stock selection resulted in the Fund s outperformance against the SPI of 2.15% in the second quarter and cumulative relative performance against the SPI of 1.57% for the first half of 2010.

Sector Review and Corporate News

Food

At its investor seminar, Nestlé reiterated its 2010 targets but acknowledged challenges arising from the European economic climate. The company also confirmed the increasing importance of emerging markets, which are expected to represent nearly half of its total sales in the next ten years. By mid-June, the company had completed 40% of its 25 billion Swiss franc share buyback program, which was initiated in August 2007.

Industrials

Earlier in the year, ABB reported mixed results for its power business and improved results for its industrial business. Its margins took a hit as its backlog in highly profitable businesses was consumed and new sales were generated from lower priced orders.

In May, ABB agreed to acquire Ventyx, a leading software provider to global energy, utility and communications companies, for more than

$1 billion from Vista Equity Partners in an effort to increase its position as a provider of software solutions for managing energy networks. The acquisition reflects ABB s efforts to broaden its portfolio companies and invest some of its cash position. The relatively hefty price paid for Ventyx (16 times earnings before interest, taxes, depreciation and amortization) is explained by the breadth of the Ventyx offerings and its geographical fit with ABB. It also shows the strategic importance of ABB being part of the buildup of the smart grid . This upgraded electricity network should allow for a reduction of the energy consumption and an increase in the reliability and security of the transmission and distribution of power. The new grid also should be better able to handle the increasing portion of electricity production coming from renewable sources.

Sulzer, a machinery and equipment manufacturer, benefited from the economic recovery in the first quarter of 2010. Orders for large projects in the refining business boosted already strong activity in two of Sulzer s main divisions.

With the proposed acquisition of Dowding & Mills, an electrical and mechanical services company, for approximately 220 million Swiss francs ($210 million), Sulzer is expanding its turbo-service business by adding services for motors and generators. Dowding & Mills would add approximately 210 million Swiss francs ($200 million) in sales to Sulzer turbo-service division, almost doubling its size. This acquisition would reinforce Sulzer s leading position as an independent service provider and reduce company s overall business volatility.

Holcim, one of the world s largest cement producers, had a difficult year in 2009, particularly in Europe and the United States, which was partially offset by resilient volumes and pricing in the emerging markets, the source of 55% of its sales.

Letter to Stockholders (continued)

The construction cycle is longer than the industrial cycle, as there is no inventory to rebuild in anticipation of an economic recovery. Activity in Holcim s sector is expected to remain sluggish in the developed markets following the second quarter economic results, but the company s exposure to European public spending that could be adversely affected by austerity measures is low. Even though its last attempt to increase prices in the U.S. did not stick, higher energy and raw material costs should be shared with Holcim s customers, at least with regard to increased costs that Holcim cannot absorb by the lower cost structure it implemented during the last financial crisis.

In the same sector, companies such as Sika, the world s second largest supplier of cement admixtures and its largest supplier of flat roofing, benefited from trends in energy and water conservation. During the second quarter, Sika made two acquisitions in the waterproofing business. It purchased a majority stake in Japan s Dyflex HD and also purchased a stake in Greenstreak, a U.S. company. Sika s ability to capture business in repair and refurbishment, places it in a defensive position by giving it less exposure to new construction. The company is representative of a sizable number of Swiss mid-sized industrial companies that have international exposure and are market share leaders in a global niche market.

Energy

Transocean and Petroplus, a refiner, comprise the entire energy sector of the Swiss market. However, several manufacturing companies are linked to the performance of the energy sector through their exposure to energy capital expenditures in upstream and downstream segments. These companies include Sulzer and Burckhardt Compression. ABB, by comparison, is more linked to capital expenditures in the utilities sector.

Since the explosion of the Deepwater Horizon platform, Transocean s market capitalization has been cut in half. While Transocean s problems are very specific, the fundamentals for oil prices are strong. Spare oil production capacity is barely enough to satisfy a 4% increase in global consumption. Growth in emerging market consumption, which accounts for 50% of global oil consumption, should be between 3% and 4% this year. The so-called conventional crude production has been flat since the middle of the decade with most discoveries occurring in non-conventional production (50% of them are deep off-shore). The Gulf oil spill is an additional negative factor for non-OPEC supply, slowing down exploration and significantly increasing the cost of conducting business. Subsidies and price controls by emerging market governments, combined with a loss of margins for national corporations, will contribute to the low price elasticity of demand as long as industrialization proceeds.

Financials

Central banks have been committed to providing significant liquidity, and even unlimited (in the case of the European Central Bank (ECB)) to banks. However, increases in banking regulation led to a downgrading of the financial sector in the second quarter, reflecting the challenges facing this sector. As a result, financial stocks were impacted by a dramatic sell-off, especially given the continued negative Eurozone sovereign situation and the widening of Libor spreads, increasing the cost of short-term refinancing for banks.

During the last quarter, investors focused on the implications of a double dip recession, capital and liquidity regulations, taxation changes and, especially for the Swiss banks, the too big to fail debate. Some concerns with both short and long-term funding risks were associated with

5

Letter to Stockholders (continued)

European banks pushing up the spread between the three month interbank lending rates and the overnight lending rates in both the euro and the U.S. dollar markets.

The U.S. Congress recently approved a financial reform bill that will, in part, limit proprietary trading by banks and increase substantially the regulation of the derivatives market. The Volcker rule , which prohibits banks from using their own capital to make speculative bets, was included in the bill. However, the Democrats agreed to allow financial institutions to make limited investments in hedge funds and private equity funds up to 3% of their Tier 1 capital in such vehicles.

Within this new regulatory framework, large banks continued to be a high risk and very speculative sector in the second quarter. Banks were negatively affected by downgrades of estimates coming on the back of the correction in the equity markets, which reduced asset-based fees and transaction levels in their private banking and asset management businesses. Moreover their investment banking operations were negatively affected by decreases in fixed income revenues as a result of subdued activity, especially in the credit markets. Therefore, the Fund maintained a cautious stance towards banks with a meaningful underweight compared to the sector weight in the SPI. On a positive note, expectations for UBS rose after the first quarter resulted in positive fixed income trading results and lower net new money outflows than expected.

From an international perspective, even though UBS and Credit Suisse currently operate in a difficult environment, they remain among the best capitalized banks when considering the implementation of the Basel III requirements. Both banks are in a position to comply with those

requirements much faster than their peers, and without any significant capital requirement. Moreover, on a more positive note, some foreign clients increased the funds they had on deposit with Swiss private banks with tax-declared money.

The Fund added a position in Sarasin, a small private bank, based on its modest risk exposure to the banking secrecy developments compared to its peers. Sarasin remains well positioned to be a relative winner among Swiss private banks and outperformed the SPI during the second quarter.

Real Estate

Stock prices of listed real estate companies, which are classified under financial services in the SPI, exhibited much less volatility than the rest of the market during the first half of the year. High dividend yields contributed to the stability of share prices, as did the strength in the sector s activity on the back of a strong domestic economy, moderate supply and sustained immigration. The average vacancy rate of the companies in the Fund s portfolio has been relatively stable, with 6.5% being the highest for a single company in 2009.

Listed companies continue to lead consolidation within the sector, as Swiss Prime Site more than doubled the value of its portfolio with the acquisition of Jelmoli s real estate portfolio last year. Mobimo merged last year with LO Holding, increasing the size of its original portfolio by close to 30%. In June, Mobimo launched a 155 million Swiss franc ($145 million) convertible bond issue to raise capital for future investments. The property portfolio for these companies is expanding at a relatively slow pace, however, due to the impact of capital gains taxes and a lack of supply.

6

Letter to Stockholders (continued)

Healthcare and Chemical

Austerity plans announced by several European governments will force a number of healthcare companies to react to lower public budgets and to adjust their activities in certain countries. The industry lobby should continue to support premium prices for innovative medicines, pointing to the economic impact of a reduction in hospitalization that can be achieved with the new treatments. In some specific cases, longer treatment also provides more clinical benefits, which improve the value for money. Despite the inevitable cost containment in a number of developed countries, Europe should remain a profitable area for the pharmaceutical companies as the aging population and the growing incidence of cardiovascular, neuro- degenerative and metabolic disorders are driving the demand for innovative treatments in developed countries.

Investors interest in pharmaceuticals continues to be low despite the attractive valuation of the sector (12 times on a forward price earnings basis). Before the release of second quarter figures, some analysts have modestly lowered their sales forecasts and earnings per share expectations. No major surprises, however, are expected in company financial figures. The financial markets are expected to continue to assess the industry s capacity to create value through the development of new medicines and its management of the life cycle of existing products. In that sense, Novartis has rejuvenated its product pipeline with several new drugs with blockbuster potential. In addition to its expected finalization of a transaction that will provide it with a 77% majority ownership in Alcon by year end, the markets approval of Gilenia for multiple sclerosis (following the positive recommendation of an FDA advisory committee in June) will be among the most important new developments for Novartis. The company s share price will be sensitive to any news related to Gilenia s approval in the

coming months. The current valuation level of the company s stock does not reflect the full upside potential and the stock remains under-owned among asset managers. The Fund has overweighted Novartis compared to Roche, whose performance continued to suffer from negative news of delays in drug approvals (Taspoglutide for diabetes) and uncertainties about Avastin s potential to treat breast cancer. In the long term, Roche should continue to benefit from its dominant cancer franchise and from its leadership in diagnostics.

The Fund had no exposure to medical technology in the quarter, and has reduced its exposure to biotech by eliminating its position in Actelion at a profit.

The outlook of the chemical sector has improved in 2010, despite rising prices for raw materials and a strong Swiss currency. Cost cutting measures also helped comparisons to the sector s 2009 results. Specialty chemical companies saw increased volumes early in the year that could continue during the second half of the year. The companies management, however, remain particularly cautious with respect to European economic developments.

The crop protection industry, including Syngenta, was penalized by Monsanto s aggressive pricing strategy in the glyphosate (a non-selective herbicide) business. The commoditized agro-chemical business should continue to experience pricing pressure. No structural change, however, to pricing levels for glyphosate is expected. Although long term fundamentals for fertilizers remain intact, the industry is expecting to experience some volatility.

Private Equity and Other Illiquid Investments

During the first half of the year, the Fund did not invest in any new direct or indirect private

7

Letter to Stockholders (continued)

equity holdings. The Fund, however, did invest additional assets in Zurmont Madison and Aravis Biotech II, both private equity funds, as a result of capital calls made in accordance with the terms of the Fund s initial limited partnership agreements. The Fund s total investments, including unfunded

commitments, in these two limited partnerships represent approximately 4% of the Fund s total assets as of June 30, 2010. In addition, the Fund continues to have three illiquid direct private equity holdings (Synosia Therapeutics AG, Kuros Biosurgery AG and NovImmune AG).

Letter to Stockholders (continued)

Peer Group/Indices Performance Comparison in Swiss Francs[1]

	Total return YTD as of 6/30/10	Total return as of year ended December 31 2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	Cumulative Performance 12/31/96-6/30/10
Swiss Helvetia Fund	**-2.31%**	**-5.05%**	**-28.19%**	**-2.67%**	**20.56%**	**33.20%**	**7.75%**	**22.54%**	**-20.40%**	**-22.91%**	**14.06%**	**14.70%**	**15.57%**	**53.99%**	**96.39%**
Swiss Performance Index (SPI)	-3.88%	23.18%	-34.05%	-0.05%	20.67%	35.61%	6.89%	22.06%	-25.95%	-22.03%	11.91%	11.69%	15.36%	55.19%	115.28%
Swiss Market Index (SMI)	-6.38%	18.27%	-34.77%	-3.43%	15.85%	33.21%	3.74%	18.51%	-27.84%	-21.11%	7.47%	5.71%	14.28%	58.93%	55.44%
iShares Switzlerland[2]	-4.81%	18.55%	-31.59%	-0.97%	20.02%	32.45%	6.34%	19.14%	-26.23%	-23.12%	7.75%	12.22%	11.74%	47.79%	74.37%
CS EF (CH) Swiss Blue Chips[3,7]	-4.39%	19.98%	-35.72%	-1.66%	18.78%	32.27%	2.75%	18.13%	-28.75%	-22.12%	10.97%	7.57%	14.21%	59.90%	67.27%
UBS (CH) Equity Fund[4,7]	-4.29%	22.44%	-33.76%	-2.55%	18.98%	33.50%	5.00%	18.14%	-26.02%	-22.04%	7.42%	6.43%	12.75%	55.94%	72.80%
Pictet (CH) Swiss Equities[5,7]	-4.11%	27.00%	-36.50%	1.94%	19.37%	37.06%	7.05%	20.10%	-27.93%	-22.35%	7.34%	9.38%	11.05%	55.65%	88.32%
Saraswiss (Bank Sarasin)[6,7]	-2.75%	18.62%	-34.87%	-2.86%	18.69%	33.05%	2.93%	19.64%	-28.51%	-24.45%	9.72%	7.10%	14.41%	53.57%	58.27%

Sources: Bloomberg, management companies websites and Citi Fund Services Ohio, Inc.

[1] *Performance of funds is based on changes in each fund s NAV over a specified period. In each case total return is calculated assuming reinvestment of all distributions. Funds listed, other than iShares MSCI Switzerland, are not registered with the Securities and Exchange Commission. Performance and descriptive information about the funds are derived from their published investor reports and websites, which are subject to change.*

[2] *Shares of iShares MSCI Switzerland are traded on the NYSE Arca and seeks to provide investment results that correspond to the performance of the Swiss market, as measured by the MSCI Switzerland Index. These stocks represent Switzerland s largest and most established public companies, accounting for approximately 85% of the market capitalization of all Switzerland s publicly traded stocks. Performance of shares of iShares MSCI Switzerland is calculated based upon the closing prices of the period indicated using the Swiss franc/U.S. dollar exchange rate as of noon each such date, as reported by Bloomberg. Such exchange rates were as follows: 12/31/97 = 1.46, 12/31/98 = 1.38, 12/31/99 = 1.60, 12/31/00 = 1.61, 12/31/01 = 1.67, 12/31/02 = 1.39, 12/31/03 = 1.24, 12/31/04 = 1.14 12/31/05 = 1.32, 12/31/06 = 1.22, 12/31/07 = 1.13, 12/31/08 = 1.06, 12/31/09 = 1.034, 6/30/10 = 1.078*

[3] *This fund gives investors access to the Swiss equity market. It has a broadly-diversified portfolio geared to the long-term value growth, with a preference to large cap stocks. Stock selection is based on criteria such as company valuation, business climate, market positioning and management quality.*

[4] *This fund invests primarily in major Swiss companies. Quality criteria used for determining relative weightings of companies include: strategic orientation, strength of market position, quality of management, soundness of earnings, growth potential and potential for improving shareholder value. The investment objective seeks to provide results that are aligned with the SPI performance.*

[5] *This fund invests in shares of companies listed in Switzerland and included in the SPI, mainly in blue chip stocks.*

[6] *This fund invests in shares of Swiss companies. It weights individual sectors relative to the SPI on the basis of their expected relative performance. It focuses on liquid blue-chip stocks.*

[7] *These funds are not available for U.S. residents or citizens.*

Past performance is no guarantee of future results.

Letter to Stockholders (continued)

Summary of Investment Themes

The Fund s strategy, in part, relies on stock selection and a sector allocation process following investment themes that Management believes should provide superior returns. As previously mentioned, growth in emerging markets and in consumer spending, especially with regard to global brands, is structural in nature and should continue to support the activities of Swiss export companies.

In the energy sector, investments in infrastructure are needed to keep up with increased demand from emerging markets. In addition, increased energy efficiency and energy conservation, combined with increased production from renewable sources, will be critical components to addressing ongoing climate concerns.

As Management is again concerned with an increasing risk of deflation, the Fund s recent investments have been focused in companies with meaningful market positions in specific industries and niche markets, that can continue to shift their offerings to higher value-added services and provide customers with systems or solutions rather than a single product. We believe that this type of company should be able to demonstrate pricing power.

Balance sheet quality is another important investment criterion. Equity capital is usually under pressure in a deflationary environment where financing costs are on the rise.

Indices Performance Comparison

	Year to Date December 31, 2009 through June 30, 2010
Performance in Swiss Francs	
Swiss Performance Index (SPI)	-3.88%
Swiss Helvetia Fund	
Based on Net Asset Value	-2.31%
Change in U.S. Dollar vs. Swiss Franc	**4.31%**
Performance in U.S. Dollars	
Swiss Helvetia Fund Performance	

Based on Net Asset Value	-6.35%
Based on Market Price	-8.18%
S & P 500 Index	-6.64%
MSCI EAFE Index	-13.23%
Lipper European Fund Index (10 Largest)	-13.82%
Lipper European Fund Universe Average	-14.58%

Source: Citi Fund Services Ohio, Inc.

Outlook

Second quarter earnings releases could surprise investors on the upside as the effect of government austerity measures are not yet visible in corporate results and the restoration of inventories is in full swing as demonstrated by freight forwarding companies. The benefits of operating leverage, with higher sales volume on lower fixed costs, also should be apparent for some companies. On the other hand, cost inflation and negative currency trends remain as lingering concerns over the next few quarters.

Letter to Stockholders (concluded)

From a macroeconomic perspective, the European rescue package and solidarity within the Eurozone have greatly reduced systemic risk and extended the current period of accommodative monetary policy. However, negative sentiment and persistent uncertainties surrounding Eurozone sovereignty issues have led Eurozone economists to reduce their forecasts for economic growth, revising expectations for an ECB rate hike from September 2010 to mid-2011. The ECB reduced its expectations for bank write-offs in 2010 by 38 billion euros and already has purchased government bonds with a value of more than 50 billion euros. The euro s depreciation against the dollar of more than 16% in the first half of 2010 will partially support European exports, mitigating the European economic slowdown.

For the time being, European austerity measures are primarily based on spending cuts rather than tax increases, which historically have proven to be successful when coupled with accommodative monetary policy in a context of ultra-low interest rates.

Sincerely,

Alexandre de Takacsy

President

Rudolf Millisits

Chief Executive Officer and Chief Financial Officer

Review of Operations (Unaudited)

Trading activity for the six months ended June 30, 2010 involved changes in the following positions:

New Investments by the Fund

Bank Sarasin & Cie AG

Burckhardt Compression Holding AG

Compagnie Financiere Richemont SA, Series A

Forbo Holding AG

Gategroup Holding AG

Kudelski SA

Meyer Burger Technology AG

Rieter Holding AG

Schweiter Technologies AG

Sulzer AG

Transocean, Ltd.

Additions to Existing Investments

ABB, Ltd.

Aravis Biotech II Limited Partnership

Credit Suisse Group

Dufry Group

Kuehne + Nagel International AG

Novartis AG

Swiss Re

Zurich Financial Services AG

Zurmont Madison Private Equity, Limited Partnership

Securities Disposed of/Expired

Actelion, Ltd.

Adecco SA

Alpiq Holding, Ltd.

Credit Suisse Group Call Warrant Expiring 03/19/10

Electrizitaets-Gesellschaft Laufenburg AG

Julius Baer Holding AG Call Warrant Expiring 06/18/10

Novartis AG Call Warrant Expiring 03/19/10

OC Oerlikon Corp. AG

Raetia Energie AG

SLI Swiss Leader Index Call Warrant Expiring 03/19/10

SMIM Put Warrant Expiring 02/19/10

Swiss Re Call Warrant Expiring 03/19/10

UBS AG Call Warrant Expiring 03/19/10

UBS AG Call Warrant Expiring 06/18/10

Reductions in Existing Investments

Addex Pharmaceuticals, Ltd.

Galenica AG

Holcim, Ltd.

Nestle SA

Roche Holding AG

Romande Energie Holding SA

SGS SA

Sika AG

Swatch Group AG

Syngenta AG

Temenos Group AG

Schedule of Investments (Unaudited) — June 30, 2010

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks 87.24%			
Banks 7.42%			
108,000	**Bank Sarasin & Cie AG** *Registered Shares* Offers private banking, asset management, investment advisory, and institutional banking services. (Cost $3,988,696)	$ 4,326,610	1.11%
434,000	**Credit Suisse Group**[1] *Registered Shares* A global diversified financial service company with significant activity in private banking, investment banking, asset management and insurance service. (Cost $18,678,431)	16,468,939	4.22%
610,000	**UBS AG**[1,2] *Registered Shares* A global diversified financial service company with significant activity in private banking, investment banking, and asset management. (Cost $6,276,207)	8,179,719	2.09%
		28,975,268	7.42%
Biotechnology 1.53%			
480,058	**Addex Pharmaceuticals, Ltd.**[2,3] *Registered Shares* Bio-pharmaceutical company that discovers and develops allosteric modulators for human health. Allosteric modulators are a different kind of orally available small molecule therapeutic agent. (Cost $21,209,722)	4,496,301	1.15%

No. of Shares	Security	Fair Value	Percent of Net Assets
Biotechnology (continued)			
3,029	**NovImmune SA**[2,4,5,6] *Common Shares* Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost $1,551,109)	$ 1,486,901	0.38%
		5,983,202	1.53%
Chemicals 1.85%			
31,000	**Syngenta AG** *Registered Shares* Produces herbicides, insecticides and fungicides, and seeds for field crops, vegetables, and flowers. (Cost $7,417,397)	7,204,154	1.85%
		7,204,154	1.85%
Commercial Services 1.11%			

3,200	**SGS SA**		
	Registered Shares	4,338,480	1.11%
	Provides industrial inspection, analysis, testing, and verification services worldwide. (Cost $4,144,258)		
		4,338,480	1.11%

Construction & Materials 2.67%

1,141	**Belimo Holding AG**		
	Registered Shares	1,349,075	0.34%
	World market leader in damper and volume control actuators for ventilation and air-conditioning equipment. (Cost $222,726)		

See Notes to Financial Statements.

Schedule of Investments (Unaudited) (continued) June 30, 2010

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Construction & Materials (continued)			
2,000	**Forbo Holding AG** *Registered Shares* Produces floor coverings, adhesives, and belts for conveying and power transmission. (Cost $697,165)	$ 851,301	0.22%
70,700	**Holcim, Ltd.** *Registered Shares* Produces building materials. (Cost $3,960,128)	4,776,274	1.22%
1,944	**Sika AG** *Bearer Shares* Leading producer of construction chemicals. (Cost $2,700,457)	3,461,288	0.89%
		10,437,938	2.67%
Diversified Manufacturing Operation 2.04%			
18,000	**Burckhardt Compression Holding AG** *Bearer Shares* Produces compressors for oil refining, the chemical and petrochemical industries, industrial gases, and gas transport and storage. (Cost $3,238,445)	3,184,866	0.81%
51,000	**Sulzer AG** *Registered Shares* Manufactures and sells surface coatings, pumps, process engineering equipment, and fuel cells. (Cost $5,418,052)	4,790,930	1.23%
		7,975,796	2.04%

No. of Shares	Security	Fair Value	Percent of Net Assets
Food & Beverages 19.56%			
135	**Lindt & Sprungli AG** *Registered Shares* Major manufacturer of premium Swiss chocolates. (Cost $471,625)	$ 3,317,568	0.85%
1,509,000	**Nestle SA**[1] *Registered Shares* Largest food and beverage processing company in the world. (Cost $26,138,927)	73,046,599	18.71%
		76,364,167	19.56%
Industrial Goods & Services 9.45%			
640,000	**ABB, Ltd.**[1] *Registered Shares*	11,258,682	2.89%

	The holding company for ABB Group, which is one of the largest electrical engineering firms in the world. (Cost $13,571,947)		
110,000	**Gategroup Holding AG**[2] *Bearer Shares*	3,473,362	0.89%
	Provides a wide range of global services for airlines, railroads and hotels. Specializes in catering and hospitality; provisioning and logistics; and onboard solutions to companies that serve people on the move. (Cost $4,102,084)		

See Notes to Financial Statements.

Schedule of Investments (Unaudited) (continued) June 30, 2010

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Industrial Goods & Services (continued)			
6,440	**Inficon Holding AG** *Registered Shares* Manufactures and markets vacuum instruments used to monitor and control production processes. Manufactures on-site chemical detection and monitoring systems. (Cost $581,616)	$ 833,106	0.21%
54,744	**Kuehne + Nagel International AG** *Registered Shares* Transports freight worldwide. (Cost $4,438,559)	5,675,689	1.45%
157,000	**Meyer Burger Technology AG[2]** *Bearer Shares* Manufactures industrial cutting equipment. Produces wire, band, ID, OD and diamond wire saws, and slurry reclamation equipment. (Cost $4,121,684)	3,909,167	1.00%
30,290	**Rieter Holding AG[1,2]** *Registered Shares* Manufactures spinning systems, chemical fibre systems and noise control products. The company s spinning and chemical fibre systems are used to process cotton and plastic and man-made fibres. (Cost $8,510,182)	7,724,533	1.98%

No. of Shares	Security	Fair Value	Percent of Net Assets
Industrial Goods & Services (continued)			
7,964	**Schweiter Technologies AG** *Bearer Shares* Manufactures textile machinery used primarily in the production and treatment of yarn, thread and textile samples. Produces machines for the assembly and packaging of semiconductor devices. (Cost $4,386,365)	$ 4,025,020	1.03%
		36,899,559	9.45%
Insurance 4.34%			
83,000	**Swiss Re** *Registered Shares* Offers reinsurance and insurance linked financial market products. (Cost $3,929,257)	3,441,304	0.88%
60,800	**Zurich Financial Services AG[1]** *Registered Shares* Offers property, accident, health, automobile, liability, financial risk and life insurance and retirement products. (Cost $13,625,007)	13,503,593	3.46%
		16,944,897	4.34%
Medical Technology 0.65%			

168,000	**Kuros Biosurgery AG**[4,5,6]		
	Registered Shares	2,523,856	0.65%
	A biotechnology company dedicated to developing biomaterials and bioactive biomaterial combination products for indications in trauma, wound and spine. (Cost $2,516,639)		
		2,523,856	0.65%

See Notes to Financial Statements.

Schedule of Investments (Unaudited) (continued) June 30, 2010

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Oil & Gas 0.93%			
76,000	**Transocean, Ltd.**[2] *Bearer Shares* Owns or operates mobile offshore drilling units, inland drilling barges, and other assets utilized in the support of offshore drilling activities worldwide. (Cost $4,008,155)	$ 3,608,476	0.93%
		3,608,476	0.93%
Personal & Household Goods 2.24%			
30,800	**Swatch Group AG**[1] *Bearer Shares* Manufactures finished watches, movements and components. Produces components necessary to its eighteen watch brand companies. Also operates retail boutiques. (Cost $7,845,546)	8,754,300	2.24%
		8,754,300	2.24%
Pharmaceuticals 21.98%			
1,114,700	**Novartis AG**[1] *Registered Shares* One of the leading manufacturers of branded and generic pharmaceutical products. Manufactures nutrition products. (Cost $31,771,769)	54,373,089	13.93%
227,200	**Roche Holding AG**[1] *Non-voting equity securities* Worldwide pharmaceutical company. (Cost $4,015,648)	31,414,216	8.05%
		85,787,305	21.98%

No. of Shares	Security	Fair Value	Percent of Net Assets
Real Estate & Infrastructure 4.00%			
31,000	**Mobimo Holding AG**[2] *Registered Shares* Builds and renovates residential real estate and invests in commercial real estate. (Cost $4,747,595)	$ 5,404,553	1.39%
135,000	**PSP Swiss Property AG**[1] *Registered Shares* Owns and manages real estate, including a portfolio of office buildings in the financial and historic sections of the five largest Swiss cities. (Cost $7,526,003)	8,093,615	2.07%
35,000	**Swiss Prime Site AG**[2] *Registered Shares* Owns business and mixed-use business/residential buildings in commercial centers in Switzerland. (Cost $2,028,007)	2,122,688	0.54%

		15,620,856	4.00%

Retailers 4.52%

206,000	**Compagnie Financiere** **Richemont SA, Series A** *Bearer Shares*	7,249,687	1.86%
	Manufactures and retails luxury goods. Produces jewelry, watches, leather goods, writing instruments, and men s and women s wear. (Cost $7,631,603)		

See Notes to Financial Statements.

Schedule of Investments (Unaudited) (continued) June 30, 2010

No. of Shares	Security	Fair Value	Percent of Net Assets
Common Stocks (continued)			
Retailers (continued)			
83,000	**Dufry Group**[2] *Registered Shares* Operates duty-free shops in countries such as Tunisia, Italy, Mexico, France, Russia, the United Arab Emirates, Singapore, the Caribbean and the United States. (Cost $5,225,267)	$ 6,265,313	1.60%
10,600	**Galenica AG** *Registered Shares* Manufactures and distributes prescription and over-the-counter drugs, toiletries and hygiene products. (Cost $3,051,975)	4,118,700	1.06%
		17,633,700	4.52%
Technology 2.34%			
202,900	**Kudelski SA** *Bearer Shares* Designs and manufactures digital security products. (Cost $6,223,174)	5,522,432	1.41%
149,500	**Temenos Group AG**[2] *Registered Shares* Provides integrated software for the banking sector. (Cost $3,482,574)	3,625,377	0.93%
		9,147,809	2.34%

No. of Shares/ Units	Security	Fair Value	Percent of Net Assets
Utility Suppliers 0.61%			
1,544	**Romande Energie Holding SA** *Registered Shares* Distributes electricity in the Canton of Vaud. Provides repair and other electrical services to its customers. (Cost $3,813,084)	$ 2,391,135	0.61%
		2,391,135	0.61%
	Total Common Stocks (Cost $257,267,085)	340,590,898	87.24%
Preferred Stocks 0.98%			
Biotechnology 0.98%			
3,162	**NovImmune SA, Series B Preferred Shares**[4,5,6] Discovers and develops therapeutic monoclonal antibodies (mAbs) to treat patients suffering from immune-related disorders. (Cost $2,062,307)	1,977,836	0.51%
133,200	**Synosia Therapeutics Holding AG, Series B Preferred Shares**[4,5,6] Develops and intends to commercialize innovative products for unmet medical needs in psychiatry and neurology.	1,854,684	0.47%

(Cost $1,740,545)		
Total Preferred Stocks (Cost $3,802,852)	3,832,520	0.98%

See Notes to Financial Statements.

Schedule of Investments (Unaudited) (continued) — June 30, 2010

No. of Shares/ Units	Security	Fair Value	Percent of Net Assets
Convertible Corporate Bond 1.59%			
Industrial Goods & Services 1.59%			
6,500,000	**Adecco Investment Bond 6.50%, 11/26/12** (Cost $6,387,196)	$ 6,208,560	1.59%
	Total Convertible Corporate Bond (Cost $6,387,196)	6,208,560	1.59%
Private Equity Limited Partnerships 1.86%			
	Aravis Biotech II - Limited Partnership[2,4,5,6] (Cost $1,693,367)	1,629,700	0.42%

No. of Shares/ Units	Security	Fair Value	Percent of Net Assets
Private Equity Limited Partnerships (continued)			
	Zurmont Madison Private Equity, Limited Partnership[2,4,5,6] (Cost $8,020,652)	$ 5,635,711	1.44%
	Total Private Equity Limited Partnerships (Cost $9,714,019)	7,265,411	1.86%
	Total Investments* (Cost $277,171,152)	357,897,389	91.67%
	Other Assets less Other Liabilities, net	32,505,281	8.33%
	Net Assets	$ 390,402,670	100.0%

[1] *One of the ten largest portfolio holdings.*
[2] *Non-income producing security.*
[3] *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. Transactions during the year with companies which were affiliates are as follows:*

Name of Issuer	Shares Held as of 12/31/09	Value as of 12/31/09	Gross Additions	Gross Reductions	Income	Shares Held as of 6/30/10	Value as of 6/30/10
Addex Pharmaceuticals Ltd.	488,370	$ 6,519,474	$	$ (78,812)	$	480,058	$ 4,496,301

See Notes to Financial Statements.

Schedule of Investments (Unaudited) (continued) June 30, 2010

[4] *Security valued by the Board s Pricing Committee. Restricted security not registered under the Securities Act of 1933, as amended, other than Rule 144A securities. At the end of the period, the value of these securities amounted to $15,108,688 or 3.87% of the Fund s net assets. Additional information on the restricted securities is as follows:*

Security	Acquisition Date	Acquisition Cost
Aravis Biotech II, LP	July 31, 2007-June 30, 2010	1,693,367
Kuros Biosurgery Holding AG	August 10, 2009-August 28, 2009	2,516,639
Novimmune SA Common Shares	October 7, 2009-December 11, 2009	1,551,109
Novimmune SA Preferred Shares	October 7, 2009-December 11, 2009	2,062,307
Synosia Therapeutics Holding AG	October 17, 2008-February 23, 2009	1,740,545
Zurmont Madison Private Equity, LP	September 13, 2007-June 24, 2010	8,020,652
		17,584,619

[5] *Illiquid. There is no public market for these securities.*
[6] *Security priced at fair value as determined by the Board s Pricing Committee. At the end of the period, the value of these securities amounted to $15,108,688 or 3.87% of the net assets.*
* *Cost for Federal income tax purposes is $281,287,251 and net unrealized appreciation (depreciation) consists of:*

Gross Unrealized Appreciation	$ 111,358,815
Gross Unrealized Depreciation	(34,748,677)
Net Unrealized Appreciation (Depreciation)	$ 76,610,138

The description of each investment shown on the Schedule of Investments was obtained from Bloomberg as of June 30, 2010.

See Notes to Financial Statements.

Schedule of Investments (Unaudited) June 30, 2010

(concluded)

PORTFOLIO HOLDINGS	
% of Net Assets	
Common Stocks	
Pharmaceuticals	22.0%
Food & Beverages	19.6%
Industrial Goods & Services	9.5%
Banks	7.4%
Retailers	4.5%
Insurance	4.3%
Real Estate & Infrastructure	4.0%
Construction & Materials	2.7%
Technology	2.3%
Personal & Household Goods	2.2%
Diversified Manufacturing Operation	2.0%
Chemicals	1.9%
Biotechnology	1.5%
Commercial Services	1.1%
Oil & Gas	0.9%
Medical Technology	0.7%
Utility Suppliers	0.6%
Private Equity Limited Partnerships	1.9%
Convertible Corporate Bond	1.6%
Preferred Stocks	1.0%
Other Assets and Liabilities	8.3%
	100.0%

See Notes to Financial Statements.

Statement of Assets and Liabilities (Unaudited) — June 30, 2010

Assets:		
Unaffiliated investments, at value (cost $255,961,430)		$ 353,401,088
Affiliated investments, at value (cost $21,209,722)		4,496,301
Total Investments at value (cost $277,171,152)		357,897,389
Cash		1,985,088
Foreign currency (cost $26,734,698)*		27,588,262
Interest and dividends receivable		20,932
Tax reclaims receivable		3,530,512
Receivable for securities sold		54,488
Prepaid expenses		60,280
Total assets		391,136,951
Liabilities		
Capital shares payable		472,901
Advisory fees payable (Note 2)		247,228
Other fees payable		14,152
Total liabilities		734,281
Net assets		$ 390,402,670
Composition of Net Assets:		
Paid-in capital		$ 296,956,156
Distributable earnings		
Accumulated net investment income	4,410,915	
Accumulated net realized gain from investment, foreign currency transactions and written options	7,349,198	
Net unrealized appreciation on investments and foreign currency	81,686,401	
Total distributable earnings		93,446,514
Net assets		$ 390,402,670
Net Asset Value Per Share:		
($390,402,670 ÷ 31,124,827 shares outstanding, $0.001 par value; 50 million shares authorized)		$ 12.54

* *Foreign currency consists of 29,746,375 Swiss francs, (3,544) euros, and 5,026 British pounds.*
See Notes to Financial Statements.

Statement of Operations (Unaudited) — For the Six Months Ended June 30, 2010

Investment Income:	
Dividends (less foreign tax withheld of $1,364,948)	$ 7,732,833
Interest	192,484
Total income	7,925,317
Expenses:	
Investment advisory fees (Note 2)	1,558,585
Directors fees & expenses	231,369
Professional fees	303,024
Administration fees	144,889
Custody fees	43,257
Printing and shareholder reports	54,790
Accounting fees	53,411
Transfer agent fees	13,127
Miscellaneous	250,090
Total expenses	2,652,542
Net investment income	5,272,775
Realized and Unrealized Gain (Loss) on Investments, Written Call Options and Foreign Currency:	
Net realized gain (loss) from:	
Investment transactions	23,565,086
Foreign currency transactions (Note 1)	(336,089)
Written call options	(289,314)
Net change in unrealized appreciation/depreciation from:	
Investments	(58,138,649)
Foreign currency translations	812,398
Written call options	(65,997)
Net Realized and Unrealized Gain (Loss) on Investments, Written Call Options and Foreign Currency	(34,452,565)
Net Decrease in Net Assets from Operations	$ (29,179,790)

See Notes to Financial Statements.

Statement of Changes in Net Assets

	For the Six Months Ended June 30, 2010[1]	For the Year Ended December 31, 2009
Increase (Decrease) in Net Assets:		
Operations:		
Net investment income	$ 5,272,775	$ 1,883,605
Net realized gain (loss) from:		
Investment transactions	23,565,086	(10,991,829)
Foreign currency transactions	(336,089)	7,068,023
Written call options	(289,314)	1,612,491
Net change in unrealized appreciation/depreciation from:		
Investments	(58,138,649)	(6,096,220)
Foreign currency translations	812,398	(9,082,766)
Written call options	(65,997)	65,997
Net decrease in net assets from operations	(29,179,790)	(15,540,699)
Distributions to Stockholders from:		
Net investment income and net realized gain from foreign currency transactions		(7,077,616)
Net realized capital gain		(11,882,602)
Total distributions to stockholders		(18,960,218)
Capital Share Transactions:		
Value of shares repurchased through stock buyback	(14,343,134)	(635,755)
Total decrease from capital share transactions	(14,343,134)	(635,755)
Total decrease in net assets	(43,522,924)	(35,136,672)
Net Assets:		
Beginning of period	433,925,594	469,062,266
End of period (including accumulated net investment income (loss) of $4,410,915 and $(861,860), respectively)	$ 390,402,670	$ 433,925,594

[1] *Unaudited.*

See Notes to Financial Statements.

Financial Highlights

	For the Six Months Ended June 30, 2010[1]	For the Years Ended December 31,				
		2009	2008	2007	2006	2005
Per Share Operating Performance:						
Net asset value at the beginning of period	$ 13.39	$ 14.45	$ 19.34	$ 20.61	$ 17.47	$ 16.79
Income from Investment Operations:						
Net investment income[2]	0.17	0.06	0.08	0.02	0.02	0.05
Net realized and unrealized gain (loss) on investments[3]	(1.10)	(0.53)	(4.65)	1.98	5.14	2.24
Total from investment operations	(0.93)					