

Portfolio and Performance Review The Swiss Helvetia Fund, Inc.

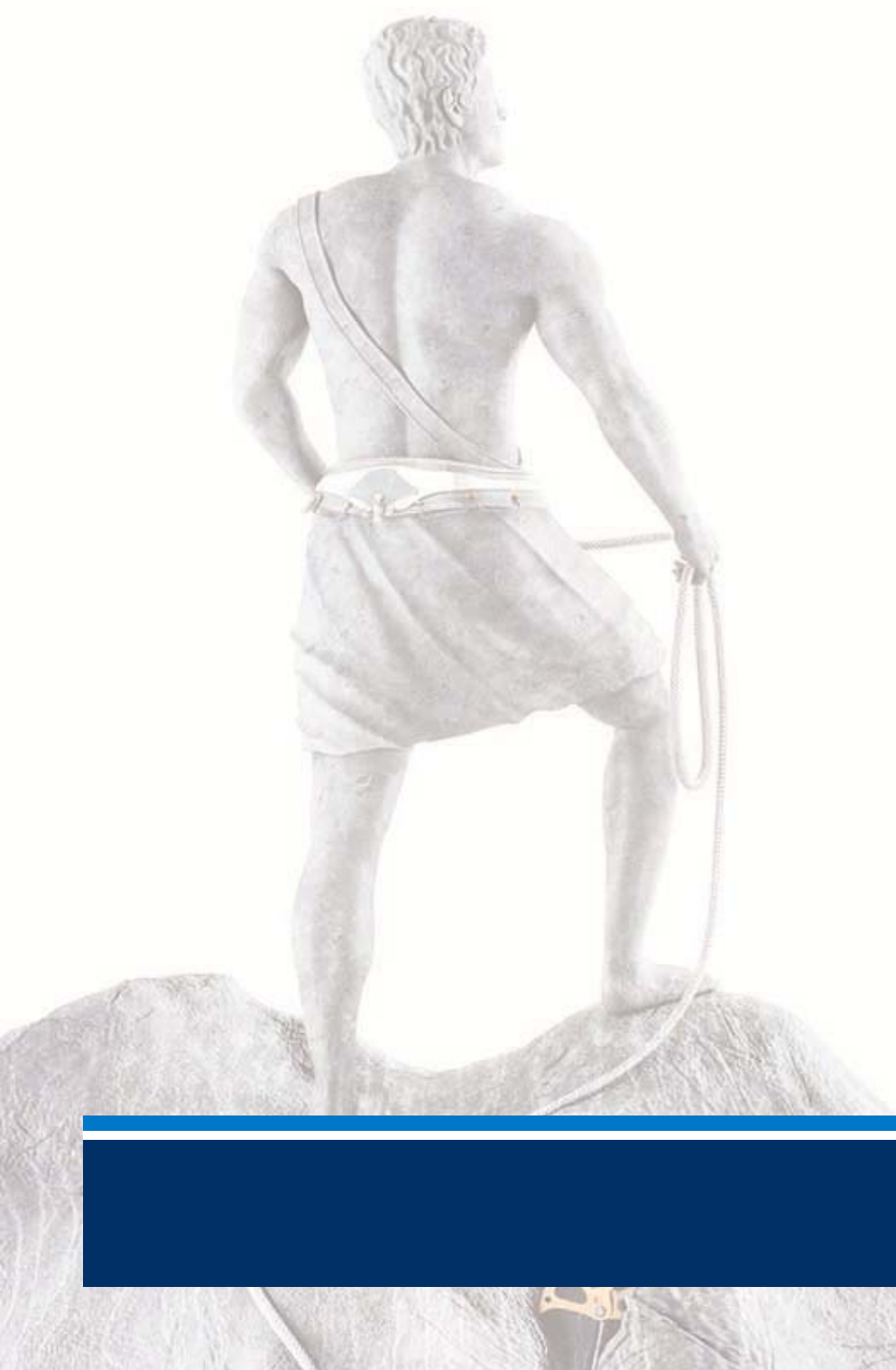
Date: October, 2016



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Agenda

- The case for Swiss equities
- Why consider the Swiss Helvetia Fund, Inc.
- Performance
- Portfolio positioning
- Outlook



The case for Swiss equities



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Swiss stocks leading in global competitiveness

Very high percentage of Swiss index members are global leaders

Name	Global rank within market	Market
Nestle	1	Food
Novartis	2	Drugs
Roche	1	Diagnostics
UBS	1	Wealth management
ABB	2	Power transmission / distribution
Richemont	1	Jewelry
Syngenta	1	Crop protection
Swiss Re	2	Reinsurance
LafargeHolcim	1	Cement
Givaudan	1	Flavours / fragrance
Adecco	1	Staffing
Swatch	1	Watches
SGS	1	Inspection / testing

At points over the past few years, approx. 2/3 of large caps in the Swiss Market Index (“SMI”) have been ranked first or second within their markets on a global basis.¹

Approximately 40% of Swiss mid caps, too.

¹ Source: Schroder research and company websites, Forbes 2014, EvaluateMedTech October 2014, BloombergNews 17.7.2014, Chemweek 23.8.2013, GlobalCement 9.12.2013, Leffingwell 15.5.2015, Staffingindustry 16.10.2013, Reuters 19.5.2015. The views and forecasts contained herein are those of the Schrodgers Swiss Equities team based on information that they believe to be reliable.

How is global leadership of Swiss stocks possible?

Switzerland offers an attractive business environment

Country/Economy	Rank (out of 138)
Switzerland	1
Singapore	2
United States	3
Netherlands	4
Germany	5
Sweden	6
United Kingdom	7
Japan	8
Hong Kong SAR	9
Finland	10

The World Economic Forum has been looking into drivers of competitiveness and prosperity in 138 economies. Amongst others, the following help explain the strong position of Switzerland:

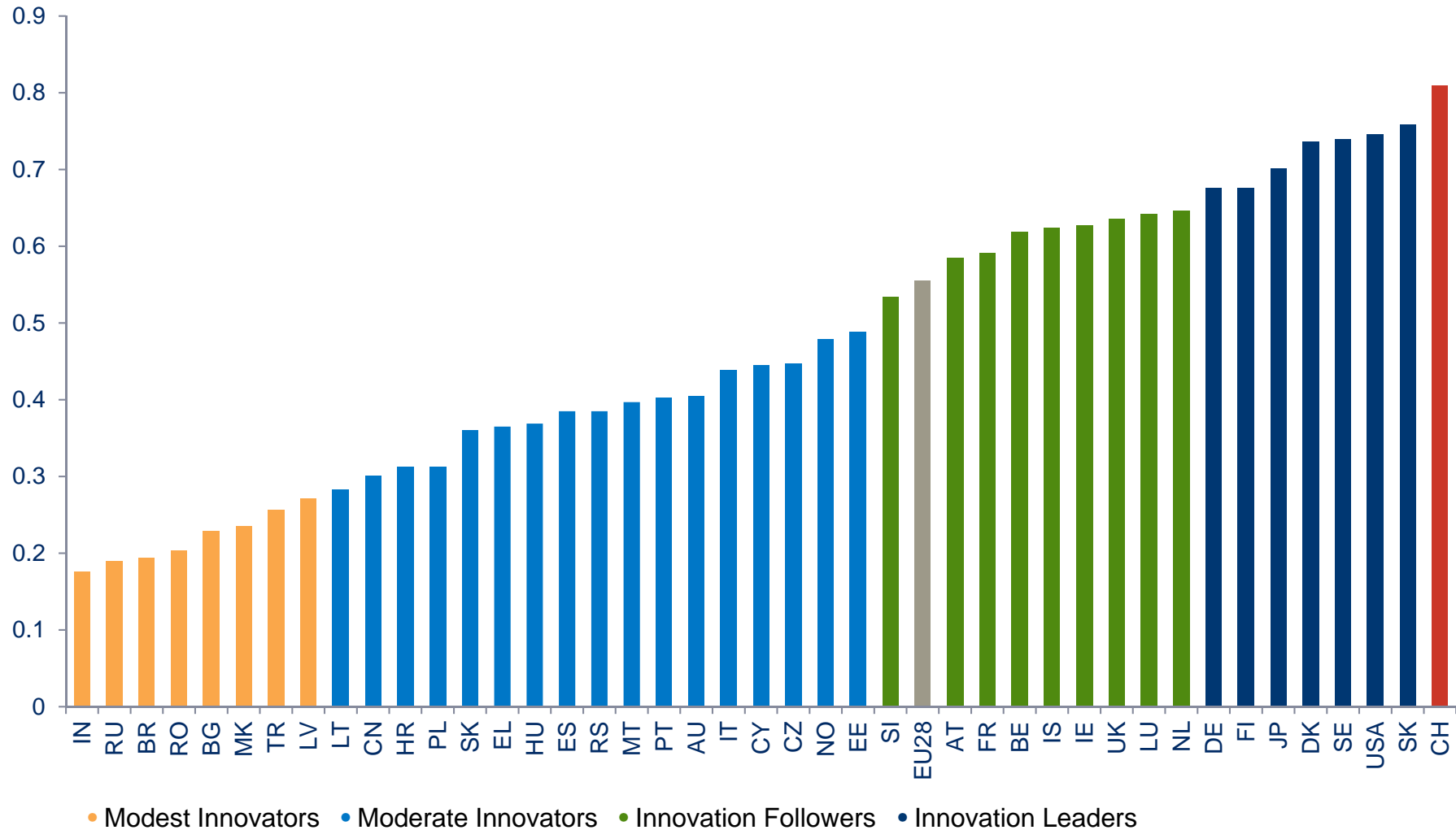
- innovation
- infrastructure
- education
- labor market efficiency
- macroeconomic environment
- business sophistication

The latest version of the study was released on September 28, 2016 and crowned Switzerland for 8th consecutive year, with an overall score improvement compared to 2015.

Source: World Economic Forum, Global Competitiveness Report 2016-17, rank out of 138 economies. See also: <http://www.prosperity.com>
The Legatum Institute, a London based think tank, on November 2, 2015, published its annual global prosperity index, Switzerland ranked number 2 based on 89 variables split into 8 subindexes (economy, entrepreneurship & opportunity, governance, education, health, safety & security, personal freedom, and social capital).

Swiss companies are innovation leaders

Leading innovation score driven by high per capita patent filings

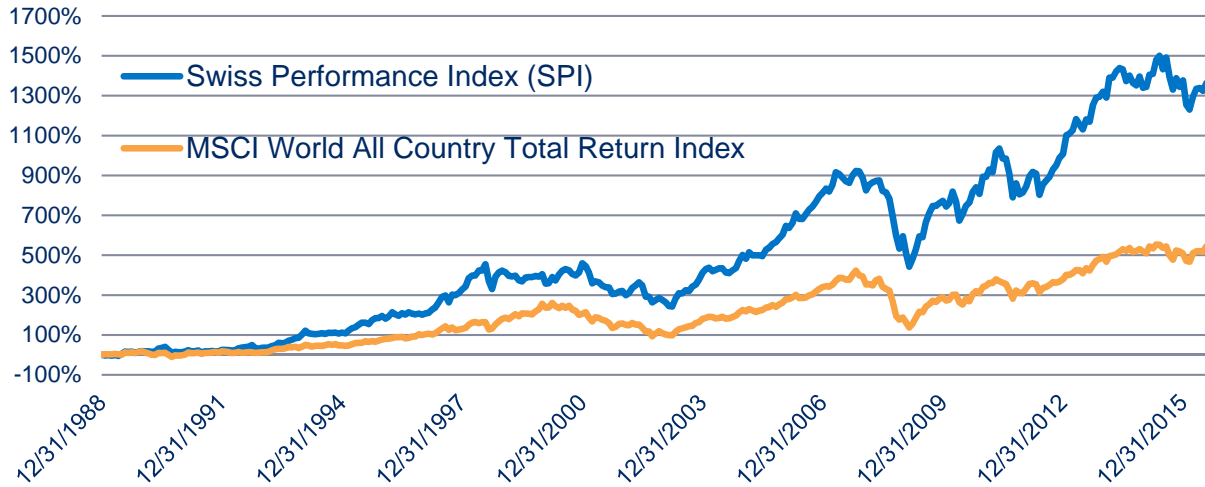


Source: Innovation Union Scoreboard 2015 (EU)

Leadership has led to long-term outperformance

Swiss equities significantly outperformed global stocks for over 25 years

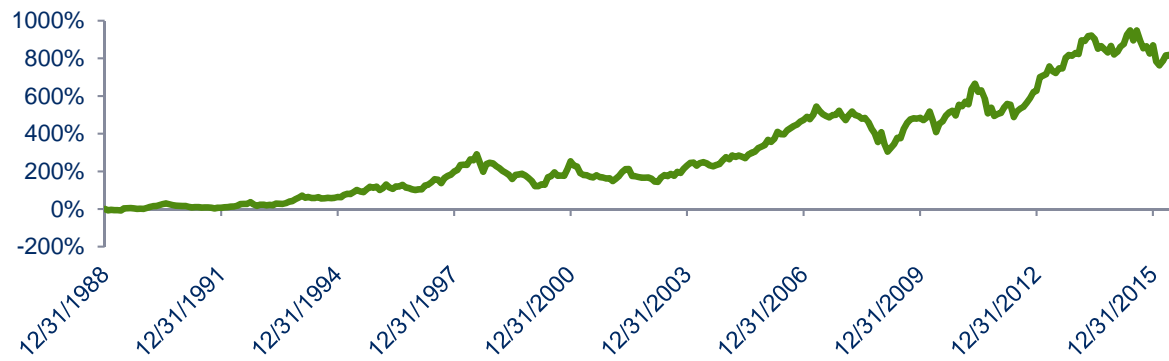
Cumulative stock market return



Swiss Equities: 10.2% p.a. in USD

MSCI World All Country Total Return Index: 7.0% p.a. in USD

Performance difference SPI - MSCI World All Countries TR

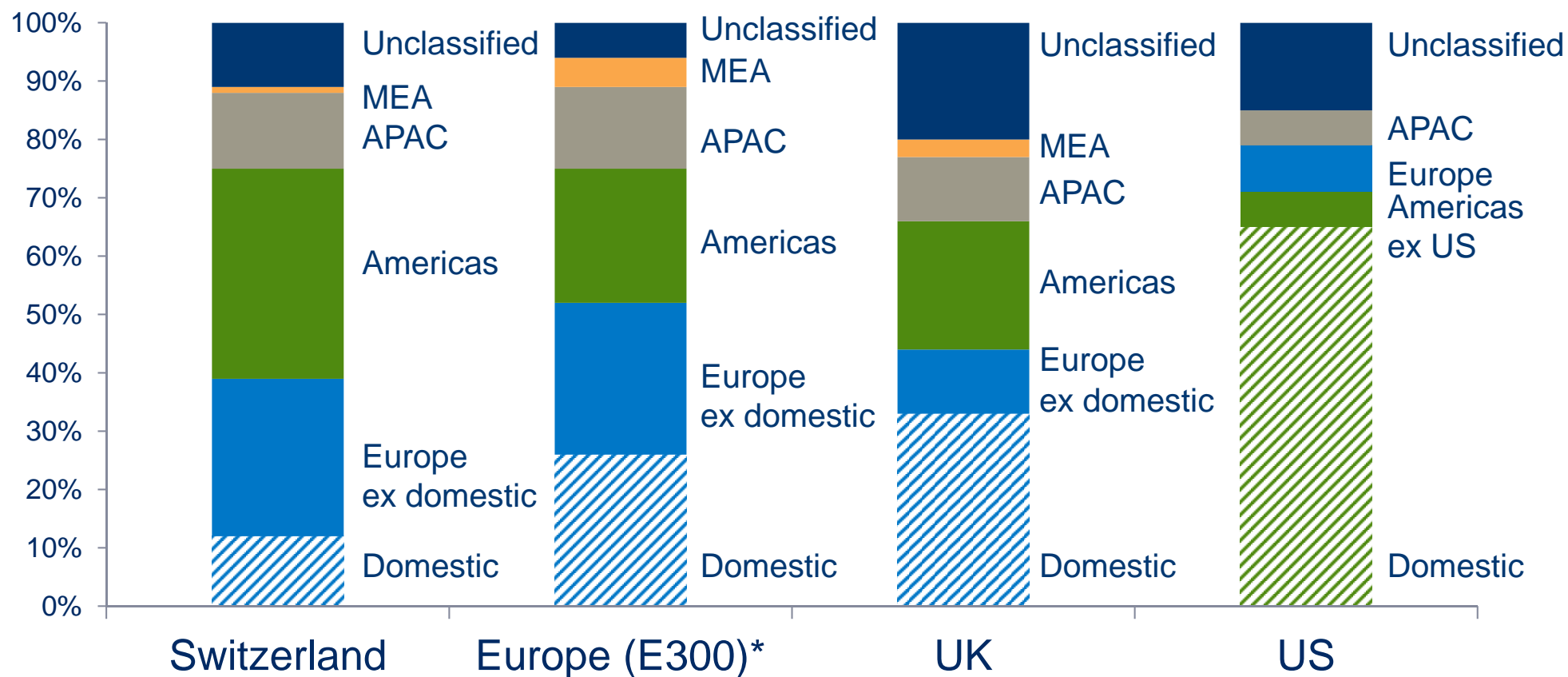


Performance difference: 3.2% p.a.

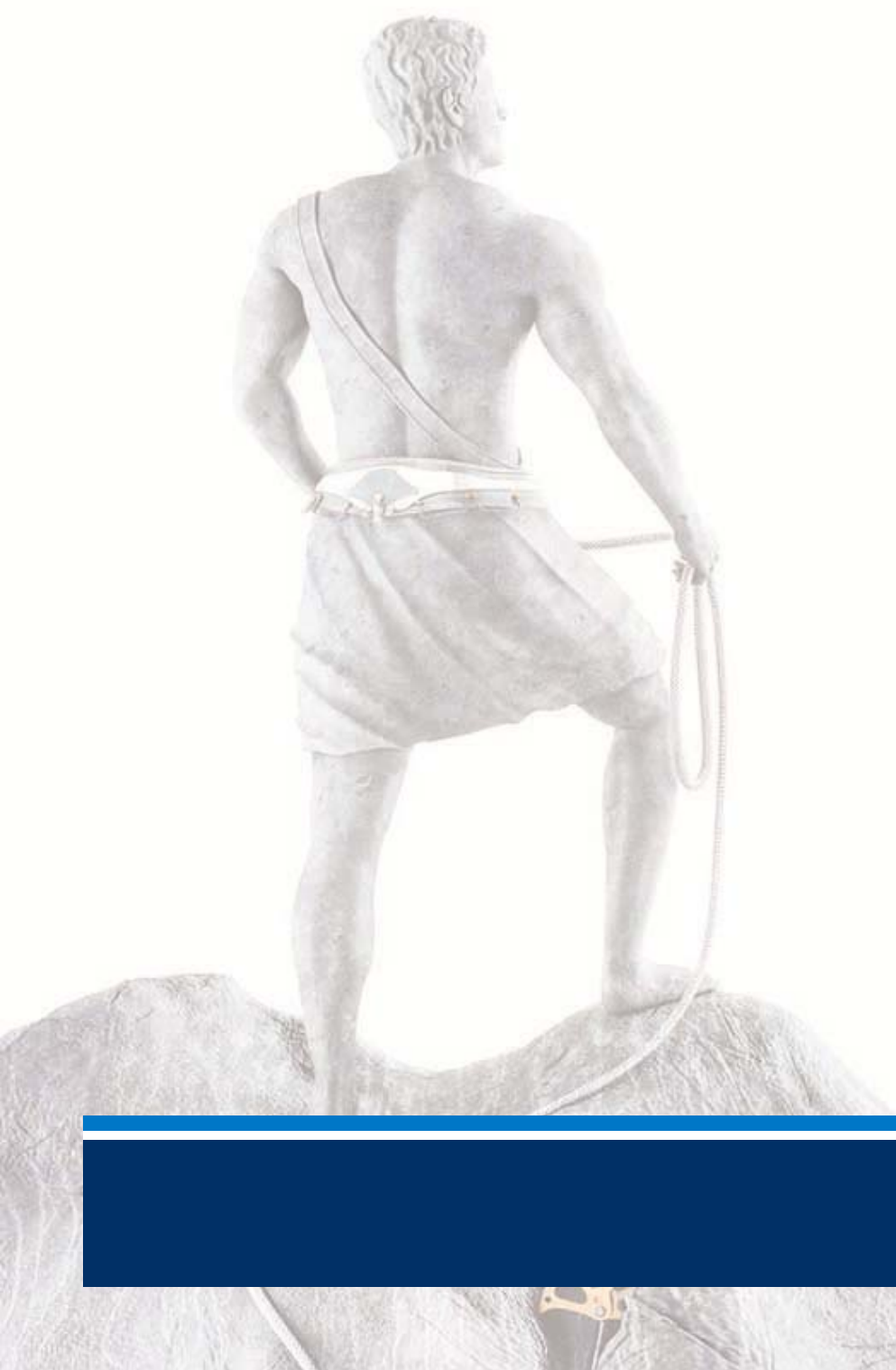
Source: Bloomberg, performance in USD as of September 30, 2016. Performance shown is past performance which is no guarantee of future results.

Swiss companies are geographically diversified

Swiss companies regional sales exposure



Source: HSBC, July 3, 2014; *UBS February 10, 2015, data based on averages.



Why Consider The Swiss Helvetia Fund, Inc.

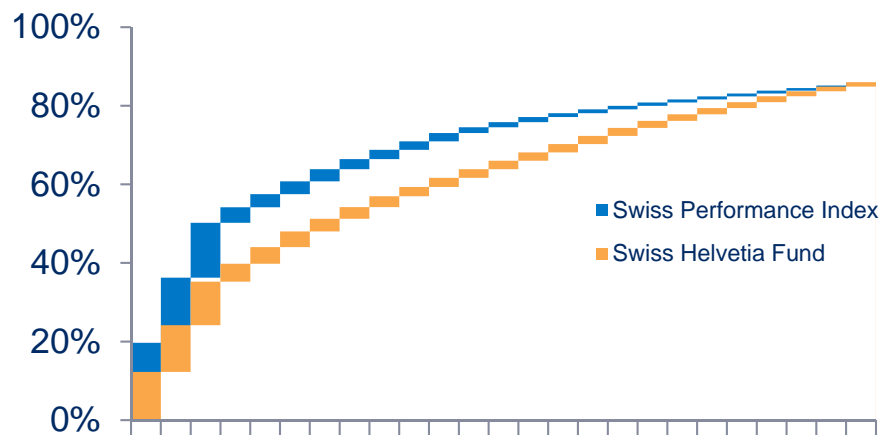


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The Swiss Helvetia Fund, Inc.

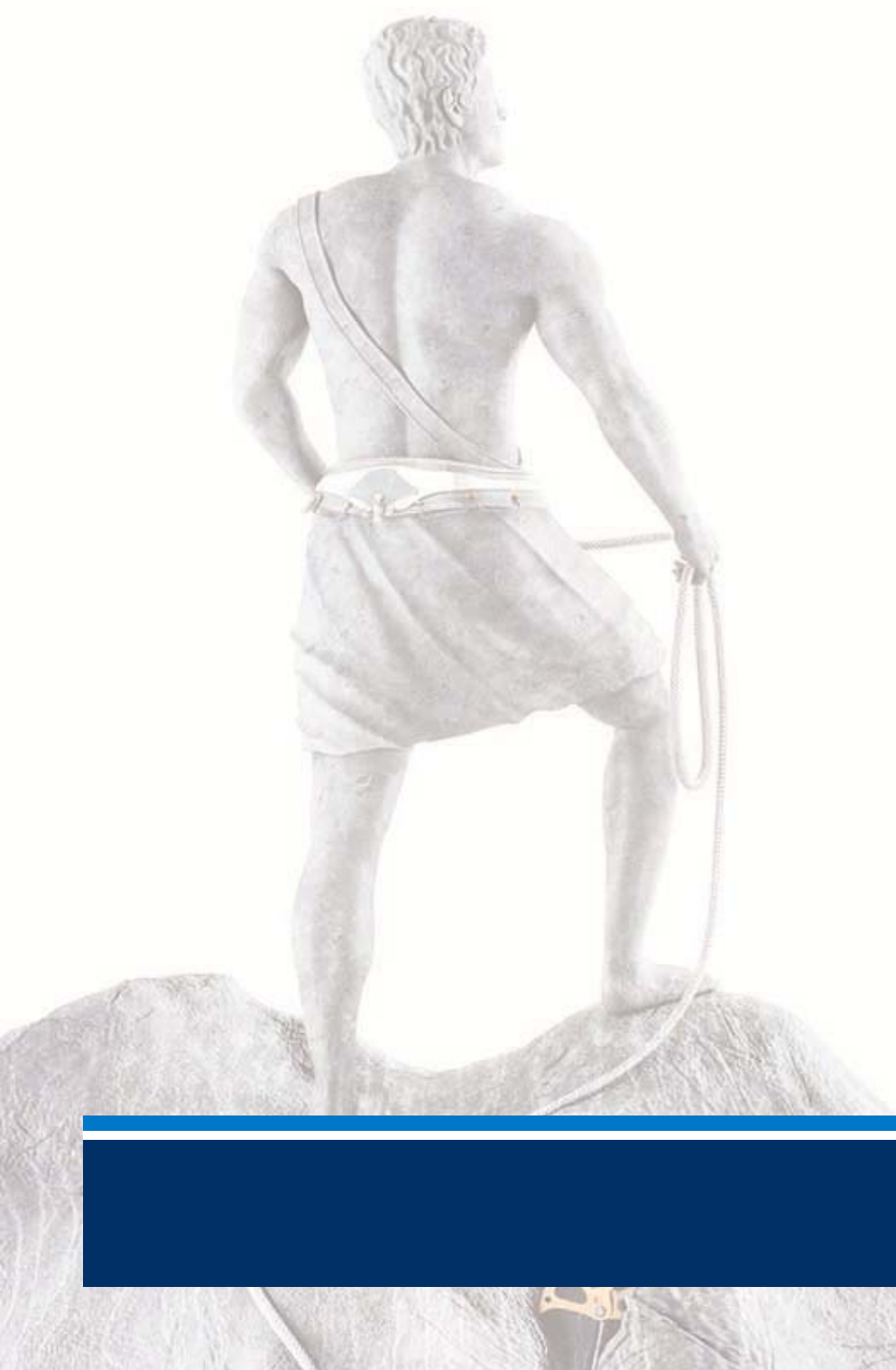
Why invest in Swiss equities through a closed-end fund?

- Allows US investors to access to the fund management team's capabilities
- The fund has better diversification compared to the Swiss Performance Index (SPI)
- A closed-end fund allows a long-term investment horizon (no unknown future in-/outflows)
- Currently the share price trades at a discount to NAV



Portfolio weight	SWZ	SPI
Top 3 positions	35%	50%
Top 5 positions	44%	58%
Top 10 positions	59%	71%

Source: Schroders, Bloomberg, September 30, 2016. Views expressed reflect those of the portfolio management team as of today's date and do not necessarily reflect the views of Schroders. These views may change.



Performance

FY 2015 and YTD 2016



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Performance FY 2015 and ytd 2016

NAV and price performance in USD

Net Asset Value

Performance in USD %	FY 2015	H1 2016	Q3 2016	ytd 16	31.12.14 – 30.09.16
NAV (US GAAP) as per quarterly filings	2.96%	-2.52%	3.26%	0.66%	3.64%
SWZ NAV as published*	2.89%	-2.76%	3.26%	0.41%	3.31%
Swiss Performance Index, SPI	2.58%	-3.53%	3.13%	-0.51%	2.06%
Difference NAV as per quarterly filings	+0.38%	+1.01%	+0.13%	+1.17%	+1.58%

* published on website, Bloomberg, etc.

Share price

Performance in USD %	FY 2015	H1 2016	Q3 2016	ytd 16	31.12.14 – 30.09.16
Share price SWZ	1.41%	-1.99%	5.33%	3.24%	4.69%
Swiss Performance Index, SPI	2.58%	-3.53%	3.13%	-0.51%	2.06%
Difference	-1.17%	+1.54%	+2.20%	+3.75%	+2.63%

Source: Schroders, Citi and JPM for fund performance, Bloomberg for Index performance; year-to-date performance as at September 30, 2016.
Past performance is no guarantee of future results.

Performance comment

Driving factors behind relative performance

- **Positive relative ytd 2016 (+1.2%):**

- small & mid cap overweight positive as they outperformed overall market

- positive contributions from:

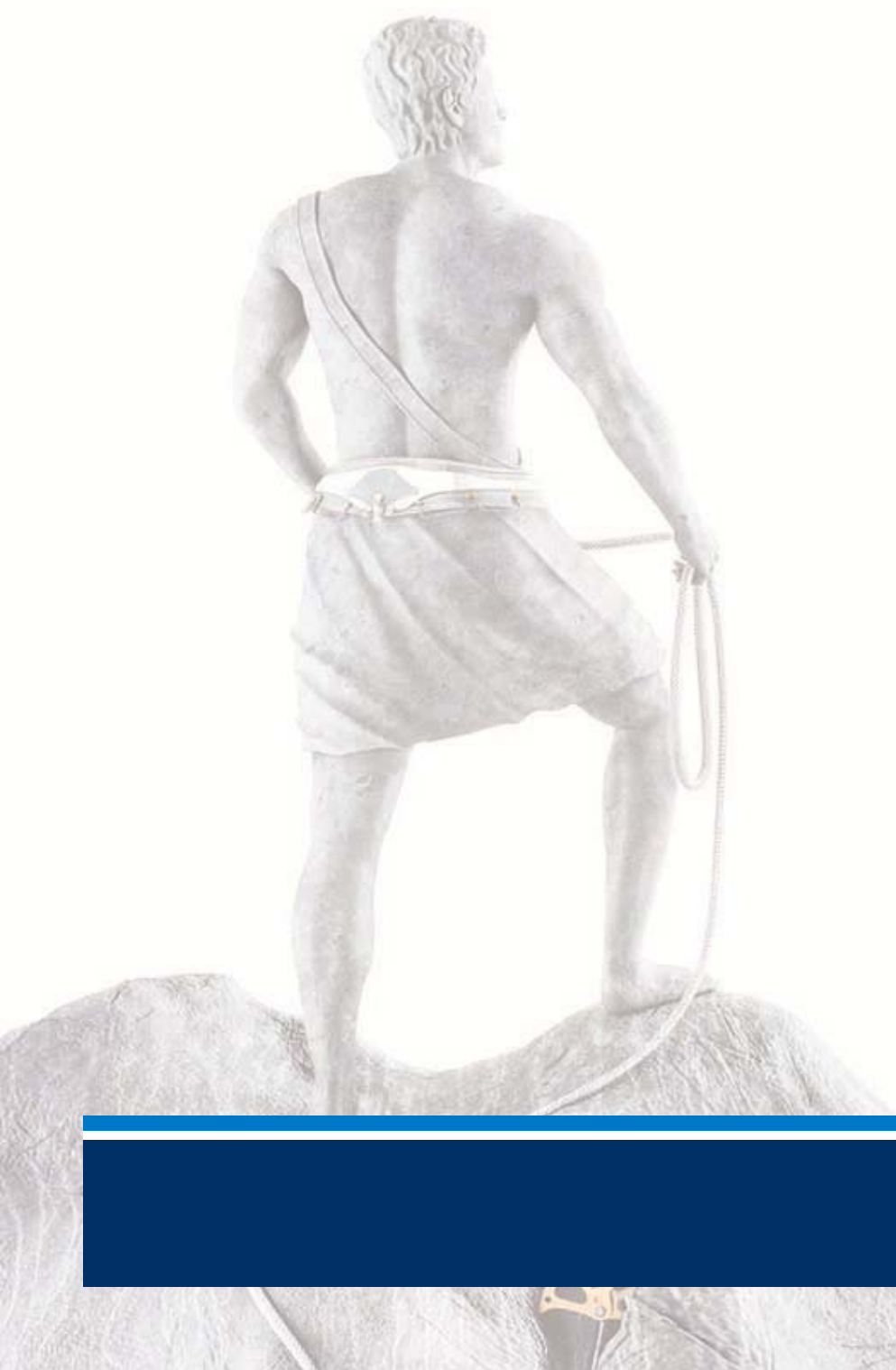
- overweights in small and mid cap industrials and technology stocks

- underweight in the two large Swiss banks (UBS and Credit Suisse)

- **Positive relative performance in 2015 (+0.4%):**

- small & mid cap overweight with positive performance contribution

- positive stock selection



Portfolio positioning



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Portfolio positioning

As of 30 September 2016

Top ten holdings – absolute basis

Name	Absolute weight
Novartis	12.3%
Nestlé	11.9%
Roche	11.1%
Syngenta	4.6%
UBS	4.2%
Lindt & Sprüngli (Reg.)	4.0%
Richemont	3.2%
Logitech	3.0%
Belimo	2.8%
Credit Suisse	2.4%
Total	59.5%

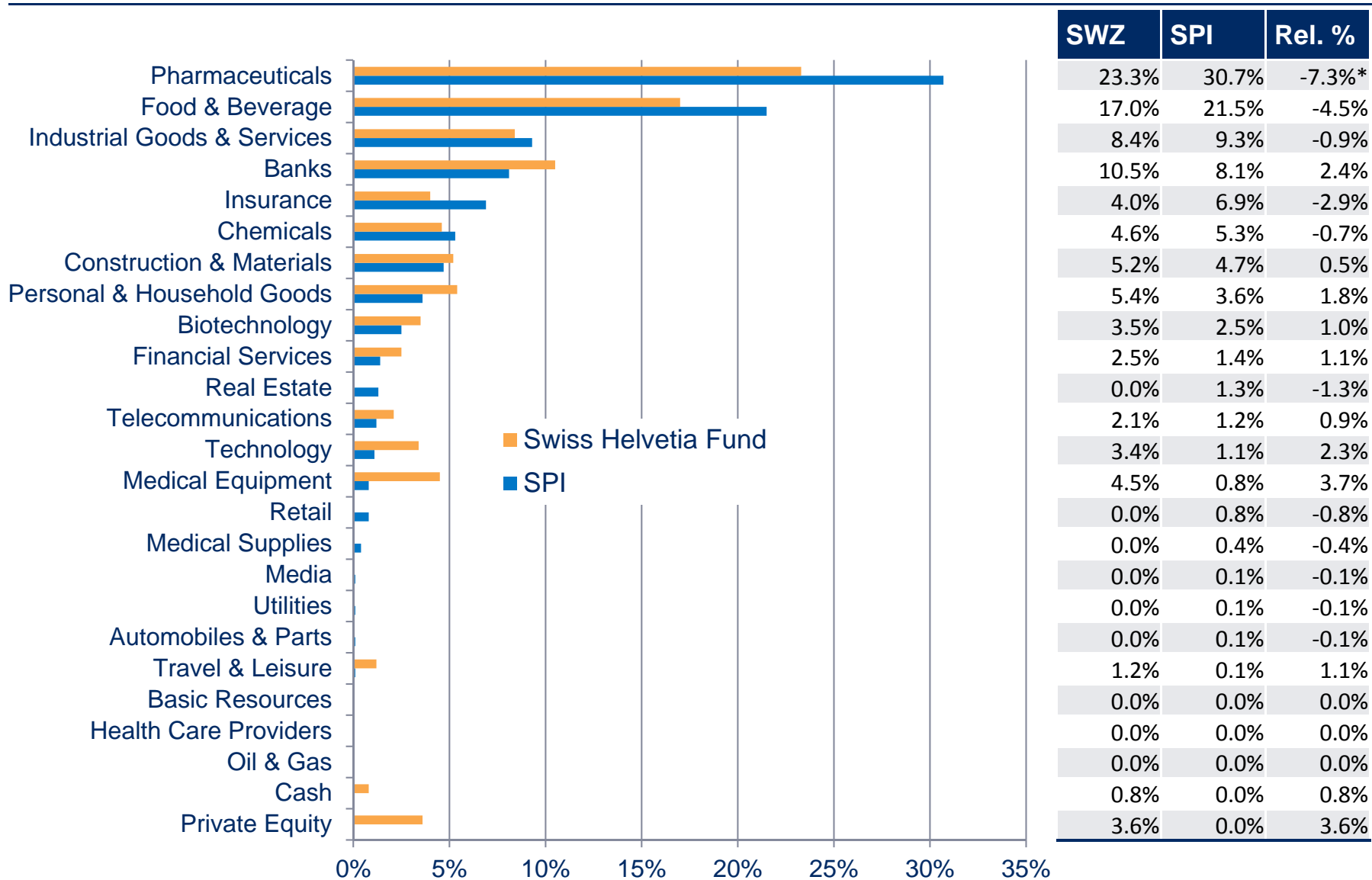
Top holdings - relative basis

Name	Relative weight
Lindt & Sprüngli (Reg.)	+3.4%
Logitech	+2.7%
Belimo	+2.6%
Burckhardt Compression	+2.0%
Tecan	+2.0%
Nestlé	-7.8%
Novartis	-4.3%
ABB	-3.4%
Zurich Insurance	-3.1%
Roche	-2.9%

Source: Schroders, JP Morgan, Bloomberg, September 30, 2016

Portfolio positioning

ICB classification



Source: Schroders, JP Morgan, Bloomberg, September 30, 2016. * investment restrictions allowing only up to 25% of total assets to be invested in a single industry

Portfolio positioning

Most significant changes in positioning H1 2016 and Q3 2016

New Positions	Increased Positions	Decreased Positions	Sold Positions
Julius Baer	Cembra Money Bank	Actelion	Adecco
Swiss Re	Forbo	Basilea	Dufry
Valiant	Sunrise	Bucher Industries	Evolva
VAT	Syngenta	Kuros Biosciences	Leonteq
	UBS	Lindt & Spruengli	
		Lonza	
		Nestlé	
	Actelion		
	Aryzta		
	Credit Suisse		
	Swiss Life		
Adecco	UBS	Bucher Industries	

Source: Schroders, September 30, 2016; names in blue coloured text relate to portfolio actions in H1 2016, in orange in Q3 2016. Only changes >0.3% are shown



Outlook



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Investment Outlook

Still positive long-term

Equity markets have been remarkably resilient, given that:

- The UK voted to leave the EU
- global economic outlook has weakened
- earnings have fallen
- valuations have become more expensive
- only moderate earnings growth is expected in 2016

However, equity markets are getting support from:

- “the yield gap” (almost no or negative yield in ‘safe’ bond and bond-like investments)
- still loose monetary policy in Europe, China and Japan despite recent indications of lesser pace
- Signs of a moderate recovery of growth and earnings (primarily in the US)

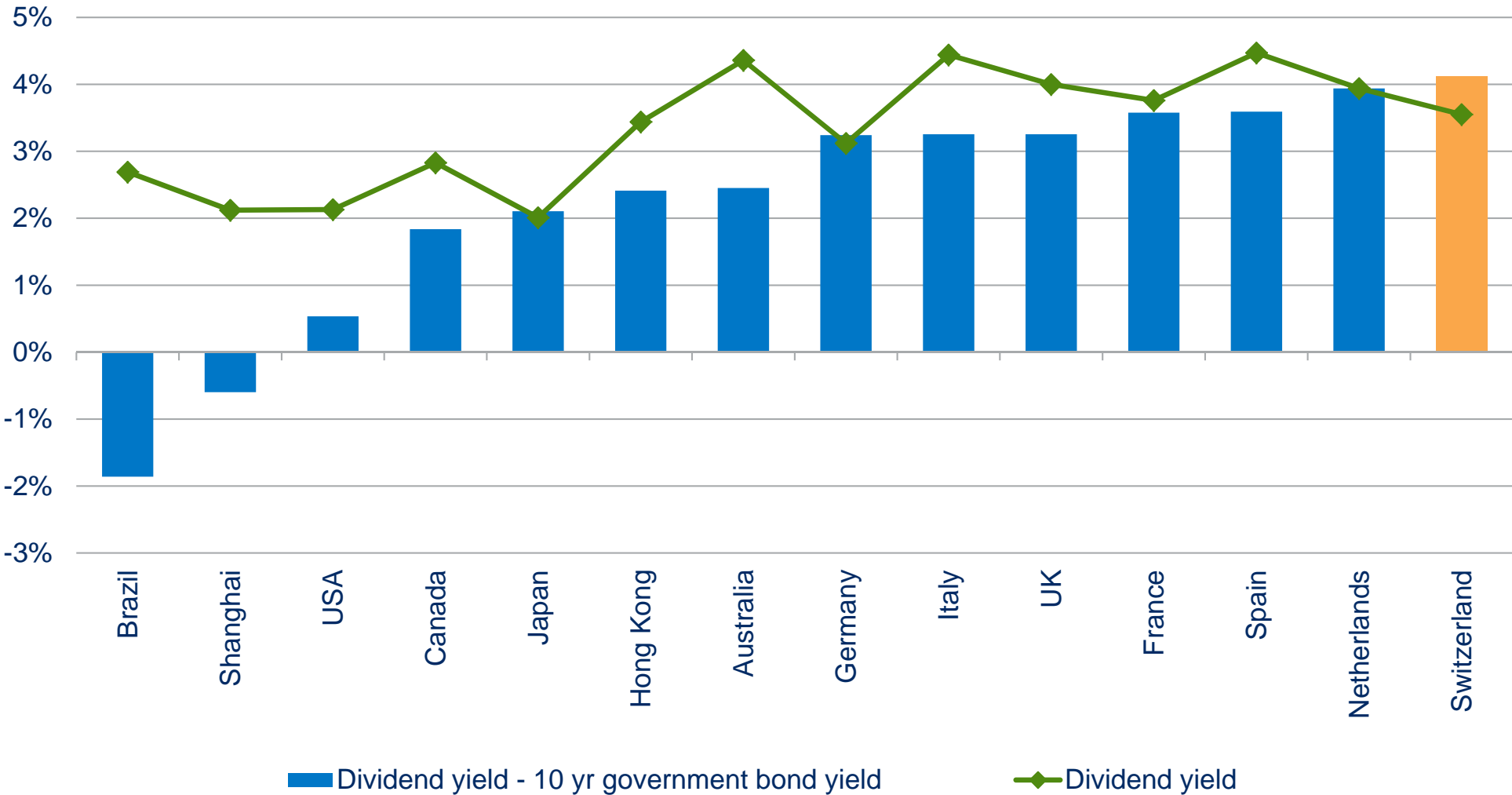
Despite possible set-backs in the short-term, we think equities will be one of the best asset classes in the long-term

Swiss stocks are well positioned due to strong competitive positioning and global diversification

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Investment Outlook

Global comparison of dividend yield versus government bond yield



Source: Bloomberg, as at September 30, 2016

Investment Outlook

Global comparison of earnings expectations



Source: Bloomberg: as at September 30, 2016, all earnings converted into US dollars



Conclusion



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Conclusion

- Swiss listed companies are often global leaders
- Their level of internationalisation makes them less dependent on domestic economy (they can outgrow the Swiss economy, which is solid but mature)
- Swiss equities have a history of outperformance versus global and European equities
- They are highly attractive from a long-term total return perspective
- The Fund is currently a way to invest in Swiss stocks at a discount
- Schroders has a proven philosophy, process and track record for Swiss equities

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Important Information

The Fund is a closed-end investment product. Common shares of the Fund are only available for purchase/sale on the NYSE at the current market price. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

This presentation is intended to be for information purposes only and it is not intended as promotional material in any respect. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Information herein is believed to be reliable but Schroder Investment Management North America Inc. does not warrant its completeness or accuracy.

The returns presented represent past performance and are not necessarily representative of future returns, which may vary. The value of investments can fall as well as rise as a result of market or currency movements.

All investments, domestic and foreign, involve risks, including the risk of possible loss of principal. The market value of a fund's portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity, and taxation. The Swiss securities markets have substantially less trading volume than the U.S. securities markets. Additionally, the capitalization of the Swiss securities markets is highly concentrated. Securities of some companies located in Switzerland will be less liquid and more volatile than securities of comparable U.S. companies. This combination of lower volume and greater concentration in the Swiss securities markets may create a risk of greater price volatility than in the U.S. securities markets.

The views and forecasts contained herein are those of the Schroders Swiss Equities team and are subject to change. The information and opinions contained in this document have been obtained from sources we consider to be reliable. No responsibility can be accepted for errors of facts obtained from third parties. Reliance should not be placed on the views and information in the document when taking individual investment and/or strategic decisions.

Definitions: Active share represents the proportion of stock holdings in the fund that is different from the composition found in the benchmark. Beta measures the sensitivity of the fund to the movements of its benchmark. Volatility is measured by Standard deviation, which is the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk. Tracking error is the difference between the price behavior of a position or a portfolio and the price behavior of a benchmark. VaR is Value at Risk, a widely used risk measure of the risk of loss on a specific portfolio of financial exposures.

For more information, visit www.swzfund.com

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